



The City of New York
Department of Investigation

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REMARKS OF DOI COMMISSIONER JOCELYN E. STRAUBER
PRESS CONFERENCE WITH THE MANHATTAN DISTRICT ATTORNEY AND NYPD
ANNOUNCING INDICTMENT IN CONSTRUCTION INDUSTRY KICKBACK SCHEME

Thank you, District Attorney Bragg.

I'm pleased to join you today to announce the Indictment in this important case. As alleged, Robert Baselice and his co-conspirators stole millions from Baselice's clients, developers of high-rise buildings. Their scheme involved obtaining bids for work from complicit subcontractors, who increased their bid prices to generate funds to pay kickbacks to Baselice and his co-defendants. The developers were not the only victims. Commercial bribery schemes like this one drive up construction costs in New York City. These criminal schemes also deprive law-abiding sub-contractors and their employees of a fair opportunity to participate in the bidding process and be awarded contracts.

DOI investigators with expertise in these types of schemes worked alongside the dedicated ADAs and the NYPD on this lengthy investigation and we stand with you today to make clear that this kind of private commercial corruption will not be tolerated.

I want you to know the steps that DOI is taking to protect the City's interests here:

- First, 14 of the entity-defendants charged today hold a professional license with the City's Department of Buildings and they will be referred to that Department for review. Those 14 cover a range of professions: 11 general contractors; two electricians, and one plumber. DOB has authority to take a number of steps, with respect to auditing and monitoring of these defendants, and, depending on the outcome of these criminal charges, meting out discipline up to license revocation.
- Second, with the unsealing of this Indictment, DOI will be working to place warnings — called "cautions" — on 16 of the defendant contractors in the City's PASSPort database, which is the City's digital procurement platform available to every City Agency Contracting Officer and which manages every stage of the procurement process. These warnings will notify Contracting Officers of the charges in this case, so that, should these defendants seek to contract with the City in the future, Contracting Officers can make informed decisions.
- I want to note that only one of the defendants, Alba Services Inc., currently contracts with the City as a primary vendor. Alba Services, Inc. is also on a pre-qualified list to perform emergency work for the City, and has done so on several occasions in the last two years. DOI will be in touch with the relevant City agencies to inform them of the charges in the indictment and assist in determining whether any further action is necessary.
- Finally, two of the defendants, Northeast Service Interiors and Alba Carting and Demolition (unrelated to Alba Services), hold "Construction and Demolition" Registration licenses from the City Business

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Integrity Commission (BIC). DOI will make BIC aware of this Indictment so that BIC can take any action it deems appropriate.

While the allegations here do not involve illegal conduct in connection with City contracts, the charges are a reminder that bribery, kickbacks and larceny among private businesses have a high cost and broad impact. And DOI is proud to stand here today with the Manhattan DA and the NYPD to protect the City from the damaging effect of this type of corruption.

I want to thank DA Bragg and the Assistant DAs who worked on this investigation — Meredith McGowan, Guy Tardanico, and Jamie Hickey-Mendoza, and their supervisors Rackets Bureau Chief Jodie Kane and Deputies Judy Salwen and Michael Ohm. I also want to thank the NYPD's Criminal Enterprise Investigative Section for their partnership on this investigation.

Finally, I want to recognize the dedication and skill of DOI's investigators who worked on this case, Chief Investigator James McElligott, Assistant Inspector General Dan Taylor and Inspector General Gregory Cho.

Thank you.

An indictment is an accusation. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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