



Department of Justice

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NEW JERSEY ELECTRICAL SERVICES COMPANY EMPLOYEE SENTENCED TO 20 MONTHS IN JAIL FOR KICKBACK AND FRAUD SCHEME

WASHINGTON — An employee of a Sewell, N.J., sub-contractor that provided temporary electrical services was sentenced today to serve 20 months in jail for his role in a kickback and fraud scheme at an Environmental Protection Agency (EPA)-designated Superfund site in New Jersey, the Department of Justice announced. The sub-contractor was also ordered to pay \$154,597 in restitution to the EPA, jointly and severally with his co-conspirators.

Christopher Tranchina of Glassboro, N.J., a Service Manager for a Sewell sub-contractor, pleaded guilty on Feb. 26, 2009, in the U.S. District Court in New Jersey, to conspiring to defraud the United States. From approximately the Spring of 2001 until approximately June of 2005, Tranchina and other co-conspirators defrauded the EPA by paying approximately \$138,000 in kickbacks to an employee of a prime contractor at the Federal Creosote Superfund site in Manville, N.J. In exchange for the kickbacks, Tranchina's employer was awarded subcontracts at Federal Creosote. The kickbacks were included in the prices charged to the EPA, which partly funded the remediation of the site. Tranchina received approximately \$23,000 of the kickbacks, in the form of a hot tub, an HVAC system, cash and checks.

Tranchina had pricing and bidding authority for all sub-contracts between his employer and the prime contractor at Federal Creosote during the charged period. As a result of the conspiracy and in return for Tranchina's payment of kickbacks to the prime contractor, Tranchina's employer received approximately \$1.2 million in sub-contracts at Federal Creosote.

"Today's sentencing should make clear that those who conspire to subvert the competitive bidding process will be held accountable," said Scott D. Hammond, Deputy Assistant Attorney General for Criminal Enforcement of the Department's Antitrust Division.

The charge is the result of an ongoing federal antitrust investigation into bid rigging, bribery, fraud and tax-related offenses conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service Criminal Investigation. To date, a total of three companies and seven individuals have pleaded guilty. Bennett Environmental Inc. was sentenced in December 2008 to pay criminal fines and restitution totaling more than \$2.66 million. The other individuals and companies are awaiting sentencing.

Today's charge reflects the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The

National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

Anyone with information concerning bid-rigging, kickbacks or fraud relating to sub-contracts awarded at the Federal Creosote site should contact the New York Field Office of the Antitrust Division at 212-264-9308.

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