



NEWS RELEASE

From New York State Acting Inspector General
Catherine Leahy Scott

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CORPORATION CHARGED WITH DEFRAUDING STATE OVER BIOFUELS GRANT Falsified Application Illegally Nets Corporation \$33,634

Acting State Inspector General Catherine Leahy Scott announced Route 303 Auto Service, Inc. of Rockland County, was charged with submitting fraudulent documentation when applying for a state grant incentive from the New York State Energy Research and Development Authority (NYSERDA). This culminates an investigation by the Inspector General, Rockland County District Attorney's Office, and the Rockland County Sheriff's Department. The falsified documents netted the company \$33,634.

"NYSERDA's grant program is designed to increase the number of retail biofuel service stations in New York State and assist businesses selling alternative fuels such as ethanol and biodiesel," said Inspector General Scott, "not to serve as a mechanism for theft for unscrupulous businesses. In the aftermath of Hurricane Sandy, when gasoline shortages have caused significant hardship to New Yorkers across the region, my office will remain vigilant in protecting taxpayer money intended to assist the people of New York State."

Route 303 Auto Service, Inc., located in Congers, N.Y., was charged with Grand Larceny in the Third Degree, a class D felony. The corporation was arraigned today before Judge Rolf M. Thorsen of the Clarkstown Justice Court. The case has been adjourned until January 30, 2013.

NYSERDA offers grant incentives under its Bio-Fuel Station Initiative Program to gas stations for the installation of biofuel pumps, tanks and equipment. Those interested in applying for the grant funding must submit a bona fide statement from biofuel equipment installers that the station owners have paid for the installation.

NYSERDA alerted the Office of the Inspector General of potential fraud. The Inspector General's investigation revealed that although the biofuel pump and tank installer had performed work for Route 303 Auto Service, Inc., Route 303 Auto apparently did not pay the installer. Route 303 Auto allegedly forwarded a letter to NYSERDA on fictitious letterhead purportedly from the installer company, claiming the installer had been paid for the work. As a result, New York State paid Route 303 Auto \$33,634.

In response to the Inspector General's investigation and to ensure future abuses do not occur, NYSERDA has strengthened the Bio-Fuel Station Initiative Program requiring additional documentation of payments made to contractors as well as conducting a post-installation physical inspection to verify fuel being dispensed prior to payment of its incentive.

Rockland County District Attorney Thomas P. Zugibe said, "This defendant abused a program designed to help the environment and improve the lives of all residents of Rockland County. By submitting phony documentation, the owner of Route 303 Auto Service stole from the pockets of honest taxpayers. The defendant's elaborate deception defrauded state coffers of more than \$33,000. I would like to thank Inspector General Scott for the great work her office did investigating this case."

Inspector General Scott thanked District Attorney Zugibe and Rockland County Sheriff Louis Falco, III, for their assistance in the investigation and prosecution of this matter.

The charges contained in the complaint are accusations; the defendant is innocent unless and until proven guilty in a court of law.

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