



NEWS RELEASE

From New York State Inspector General
Catherine Leahy Scott

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SECOND INDIVIDUAL CHARGED IN ONGOING NEW YORK POWER AUTHORITY PROCUREMENT FRAUD INVESTIGATION

Construction Company Owner Pleads Guilty to Tax Violation

WASHINGTON – Law enforcement agencies conducting a joint federal and state investigation into bid-rigging, fraud and tax-related offenses in the award of contracts by the New York Power Authority announced today that a construction company owner from Orangeburg, New York, has pleaded guilty to filing a false tax return. This is the second guilty plea in the investigation, which was initiated by the New York State Inspector General.

According to the one-count felony charge filed in the U.S. District Court for the Southern District of New York, in White Plains, New York, Peter Shine filed a Form 1040 for the tax year 2013 that substantially understated his taxable income. Shine pleaded guilty to subscribing to a false tax return, which carries a maximum penalty of three years in prison and a \$250,000 fine.

“Business owners who willfully do not report their true income and expenses potentially expose themselves to criminal investigation and the ensuing consequences,” said Special Agent in Charge Shantelle P. Kitchen of the IRS Criminal Investigation’s New York Field Office. “IRS Criminal Investigation is committed to ensuring that everyone pays his or her fair share.”

“Shine essentially siphoned funds he was not entitled to and sidestepped his responsibility to pay taxes on underreported income,” said Assistant Director in Charge Diego Rodriguez of the FBI’s New York Field Office. “This guilty plea is proof of the FBI’s continued determination to work with our partners in rooting out those who engage in unlawful schemes for profit.”

“This guilty plea originates from a bid rigging investigation begun at the state level and clearly demonstrates the commitment of my office, and that of my federal law enforcement partners, to follow the evidence wherever it may lead,” said New York State Inspector General Catherine Leahy Scott.

“The division will continue to work with our law enforcement partners to ensure that any crimes uncovered during our investigations will be prosecuted,” said Assistant Attorney General Bill Baer of the Justice Department’s Antitrust Division.

The investigation is being conducted by the Antitrust Division’s New York Office with the assistance of the FBI, IRS Criminal Investigation and the New York State Office of the Inspector General. NYPA is cooperating with the investigation.

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