



NEWS RELEASE

From New York State Acting Inspector General
Catherine Leahy Scott

FOR IMMEDIATE RELEASE:
July 16, 2012

Director of Bronx Not-For-Profit Indicted By Federal Grand Jury For Bribery

*Director Solicited \$100,000 in Home Improvements
From Contractors Who Received Work from the Not-For-Profit*

NEW YORK, NY - Acting Inspector General Catherine Leahy Scott announced today the unsealing of a federal indictment charging a Director of Bronx Shepherds Restoration Corporation ("Bronx Shepherds"), a New York State not-for-profit corporation, with Bribery. The Inspector General's and U.S. Attorney's Offices' investigation revealed that a program director allegedly received thousands of dollars in home improvements from contractors who received from Bronx Shepherds weatherization assistance and home renovation contracts intended to assist low and middle-income residents that are federally funded through contracts with New York State.

Satnarine Seebachan, age 50, of Glen Cove, New York, surrendered to investigators from the New York State Inspector General's Office and the United States Attorney's Office for the Southern District of New York today, and was arraigned in the United States District Court for the Southern District of New York before U.S. Magistrate Judge Frank Maas. Seebachan was charged with one count of Bribery, in violation of Section 666(a)(1)(B) of Title 18 of the United States Code, for his solicitation and acceptance of approximately \$100,000 worth of labor and supplies from contractors with the intent to assist those contractors in obtaining contracts involving federal funds paid through contracts with New York State. If convicted, Seebachan faces up to 10 years in prison.

"It is an outrage that a person placed in a position of trust in overseeing bids and awarding contracts that utilize funds designated to assist New Yorkers in need would take advantage of his position for personal gain," said Acting Inspector General Scott. "My office is committed to ensuring that any person placed in a position of trust is held to the highest standards of integrity. New Yorkers must have confidence that processes are in place to prevent similar wrongdoing for recipients of specialized funding and services."

Manhattan U.S. Attorney Preet Bharara said: "As alleged, Satnarine Seebachan used his power to control certain federal purse strings to buy for himself elaborate home renovations at significant

discounts, and in some cases, for free. Abuse and exploitation of the federal contracting system will not be tolerated and those who engage in this conduct will be held to account.”

Seebachan worked full-time as a program director at Bronx Shepherds, a not-for-profit corporation established to provide housing and housing restoration in the Bronx, New York. Two of the programs administered by Bronx Shepherds, the Weatherization Assistance Program and the Home Program [“Programs”] are funded by the federal government through contracts with the New York State Homes and Community Renewal. As a program director at Bronx Shepherds, Seebachan was in charge of the bidding selection process, choosing and paying construction companies that were to perform the necessary work on the buildings, apartments and houses funded by the Programs.

It is alleged while the contractors were performing work and supplying materials to Seebachan’s Glen Cove home, they bid for and received numerous contracts with Bronx Shepherds under the federally funded Programs paid through contracts with New York State. During this time, Seebachan allegedly received approximately \$100,000 in discounts, labor and materials from Bronx Shepherds affiliated contractors.

The Inspector General’s and U.S. Attorney’s Office’s investigation determined that Seebachan allegedly:

- Received over \$50,000 of interior renovation and repair work, roof repair work, and outside stone and concrete work at his home.
- Received over \$8,000 utilizing the contractors’ discounted price to purchase renovation materials including stone, sand, concrete and windows.
- Received over \$41,000 of marble and marble installation services in his home paid for by one of the contractors.

Acting Inspector General Scott thanked Preet Bharara, the United States Attorney for the Southern District of New York, and particularly Assistant United States Attorney Carrie H. Cohen and Chief Investigator of the Law Enforcement Integrity Unit Ronald Gardella for their assistance with investigating and prosecuting this case. The New York State Inspector General’s investigation was overseen by Special Deputy Inspector General Philip Foglia, Supervising Auditor and Senior Forensic Accountant W. Valentine Douglas and Forensic Accountant Alla Kosunskiy.

The charge contained in the Indictment is merely an accusation, and the Defendant is presumed innocent unless and until proven guilty.

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