

THE STATE OF NEW YORK
COUNTY COURT: COUNTY OF MONROE

THE PEOPLE OF THE STATE OF NEW YORK

-against-

DANIEL LYNCH,
JOHN MAGGIO,
NELSON RIVERA, and
ROBERT WIESNER,

Defendants.

INDICTMENT No.

1007 A.G.

A TRUE BILL

GRAND JURY FOREPERSON

ERIC T. SCHNEIDERMAN
Attorney General
State of New York

INTRODUCTION

At all times relevant to this indictment, unless otherwise indicated:

I. Background

A. The Request for Proposal Process and Local Development Corporations

1. Monroe County (the "County") used a competitive bidding process called a Request for Proposal ("RFP") to award certain contracts for County projects, including contracts involving local development corporations.

2. In general, a Request for Proposal ("RFP") was a document used to solicit competition by informing potential vendors of the functional, technical, and contractual requirements sought by the County for a project. The RFP also included the evaluation criteria governing the process the County used to award the contract.

3. Although the County used the RFP process to contract with local development corporations, the local development corporations contracted with private corporations to implement the County projects. The private corporations subcontracted with other companies, who performed most of the actual work on the projects.

B. The Upstate Telecommunications Local Development Corporation Contracts

1. *The IT and Copier Contracts*

4. In or around November 2004, the County awarded a contract with the Upstate Telecommunications Corporation ("UTC") to provide upgrades to information technology systems (the "IT contract"). In or around February 2005, the County signed the contract with UTC.

5. The cost of the IT contract was \$99 million, to be paid at regular intervals by the County to UTC over a period of 16 years.

6. The term of the contract was from February 7, 2005 to February 6, 2021. The contract included "refreshes," which were cycles within the contract for updating and replacing equipment.
7. In December 2007, the County entered into an additional contract (the "copier contract") with UTC to replace and standardize copier systems and provide management services (the "copier project").
8. The cost of the copier contract was approximately \$11 million, to be paid at regular intervals by the County to UTC over a period of 12 years.
9. The County funded both the IT contract and the copier contract by collecting taxes. The IT contract was also funded by UTC, which issued bonds.

2. *Implementation of the IT and Copier Contracts*

10. To implement the IT and copier contracts, UTC contracted with other companies, including Siemens Building Technologies, Inc. and Toshiba Business Solutions, Inc. For example, UTC contracted with Siemens to manage and install equipment for the IT contract (the "Siemens management contract"). UTC also contracted with Siemens to manage the copier contract (the "Siemens copier contract"). In addition, UTC contracted with Toshiba to provide services for the copier contract (the "Toshiba copier contract").
11. The Siemens management contract was signed in or around February 2005 and cost over \$19 million, including approximately \$3 million in management fees for the first eight years of the contract, to be paid by UTC. The Siemens copier contract was signed in or around December 2007 and cost \$175,000 for the first year of the contract, and smaller amounts over the next three years, to be paid by UTC. The Toshiba copier contract was signed in or around December 2007 and cost approximately \$1.8 million, to be paid over a multi-year period by UTC.

12. In or about May 2009, UTC entered into a \$175,000 consulting contract with Treadstone Development Corporation to provide project development and coordination for replacement of computers, as well as other management functions (the “UTC refresh contract”).

13. In or around December 2008, Siemens assigned its management and copier contracts with UTC to the Navitech Services Corporation.

C. The Monroe Safety and Security Systems Local Development Corporation Contracts

14. In or around April 2009, the County awarded a contract with the Monroe Safety and Security Systems Local Development Corporation (“M3S”) to provide upgrades to the County’s security and safety systems. In or around January 2010, the County entered into the contract with M3S; in or around May 2010, the Monroe County Water Authority (the “MCWA”) entered into an Intermunicipal Agreement with Monroe County to provide upgrades to the MCWA’s security and safety systems (together, the “public safety contract”).

15. The cost of the public safety contract was approximately \$212 million, to be paid at regular intervals by the County to M3S over a period of 20 years.

16. The term of the contract was from January 1, 2010 to December 31, 2029. Similar to the IT contract, the public safety contract included provisions for refreshes.

17. The County and the MCWA funded the public safety contract. The contract was also funded by M3S, which issued bonds.

18. To implement the public safety contract, M3S contracted with Navitech (the “Navitech contract”).

II. Relevant Entities

A. Government Agencies

19. Monroe County was a municipal corporation established under the laws of New York State and its subdivisions.

20. MCWA was a not-for-profit public benefit corporation created by the Monroe County Water Authority Act, under the New York State Public Authorities Law. MCWA provided water to Monroe County and area communities who requested service.

B. Local Development Corporations

21. Local development corporations were not-for-profit organizations incorporated pursuant to Sections 402 and 1411 of the New York State Not-for-Profit Corporation Law. Among other purposes listed in that law, local development corporations were created to perform essential government functions.

22. UTC was a local development corporation established in or around May 2004. UTC was controlled by a Board of Directors. Pursuant to the IT contract with the County, UTC provided technological support to the County for its information services, including upgrades and refreshes to telephones, computer systems, and local and wide area network hardware, as well as the redesign and maintenance of the County's website; pursuant to the copier contract with the County, UTC provided copier management and associated services, including upgrades and maintenance of the County's copiers (together, the "Upstate Telecommunications project").

23. M3S was a local development corporation established in or around May 2009. M3S was controlled by a Board of Directors. Pursuant to the public safety contract with the County, M3S provided all design, procurement, installation, project management services, equipment, and

hardware and software required to replace and standardize the County's existing security and safety systems (the "Monroe Safety and Security Systems project").

C. Private Corporations

24. Catalog & Commerce Solutions LLC ("CCS") was a limited liability company located in Pittsford, New York. CCS provided website design, hosting, and maintenance services, as well as e-commerce secure shopping services. CCS provided services for both the Upstate Telecommunications and the Monroe Safety and Security Systems projects through contracts with UTC or subcontracts with other private corporations, including Siemens Building Technologies, Inc. and Navitech Services Corporation.

25. John Maggio C.P.A. was a Rochester-based accounting firm owned and operated by defendant JOHN MAGGIO.

26. M&T Bank was a commercial bank with branches in New York State.

27. Navitech Services Corporation ("Navitech") was a Rochester-based company incorporated in December 2008. Navitech managed the Upstate Telecommunications project after Navitech was assigned the Siemens management contract. Pursuant to a January 2010 agreement with M3S, Navitech also managed the implementation of the Monroe Safety and Security Systems project.

28. Siemens Building Technologies, Inc. ("Siemens"), a subsidiary of the multinational corporation Siemens AG, contracted with UTC for the management and implementation of the Upstate Telecommunications project. In or around 2008, Siemens changed its internal policies relating to the payment of entertainment expenses by limiting the use of corporate expense accounts.

29. Toshiba Business Solutions, Inc. ("Toshiba"), a subsidiary of the multinational corporation Toshiba, contracted with UTC to provide the design, procurement, installation, equipment, and hardware and software required to replace and standardize copier systems in the County.

30. Treadstone Development Corporation ("Treadstone") was a Rochester-based company formed by defendant DANIEL LYNCH in or around July 2008. Treadstone contracted with UTC and Navitech to provide consulting services on both the Upstate Telecommunications and Monroe Safety and Security Systems projects.

D. Other Entities

31. The Professional Golfers' Association of America ("PGA") was a sports organization dedicated to promoting the game of golf with spectator events, such as the Senior PGA Championship tournament, among other means of promoting the sport.

32. The Oak Hill Country Club ("Oak Hill") in Rochester maintained a championship golf course.

III. The Defendants

33. DANIEL LYNCH was a Siemens sales executive until he resigned in or around March 2009. For multiple years, LYNCH was the top sales executive for Siemens in the United States. LYNCH also was the owner and president of Treadstone.

34. JOHN MAGGIO was a Rochester-based accountant who owned John Maggio C.P.A. MAGGIO formed Navitech with DANIEL LYNCH in or around December 2008. MAGGIO was also the Vice President and Chief Financial Officer of Treadstone.

35. NELSON RIVERA, a public servant, was the Monroe County Chief Information Officer. RIVERA was involved in drafting the County's Information Technology Solutions RFP

in 2004 for the Upstate Telecommunications project; UTC's RFP for the UTC refresh contract in 2008; and the County's Public Safety and Security Systems RFP in 2008 and 2009 for the Monroe Safety and Security Systems project. RIVERA also was involved in selecting vendors based on bids received pursuant to those RFPs.

36. ROBERT WIESNER, a public servant, was the Director of Security at MCWA from in or around December 2005 to in or around October 2011. WIESNER was the Director of Security at MCWA on a part-time basis from in or around January 2012 to in or around 2013.

IV. The Fraudulent Scheme

A. Summary

37. The defendants, both government officials and executives at private corporations, along with others participants, engaged in an ongoing scheme to rig the bids for certain local development corporation contracts funded by the taxpayers of Monroe County and bondholders, and to benefit from the proceeds of those contracts.

38. By colluding to rig bids, participants in the scheme were able to funnel contracts to favored entities on a predetermined basis, resulting in the restraint of competition.

39. Once participants in the scheme accomplished their illegal manipulation of the County contracting process, they stole money by creating fake contracts, inflating subcontracts, and submitting false invoices.

40. Participants in the scheme also laundered the proceeds of the scheme through payments for their personal benefit, payments related to golf, and payments to political campaign accounts.

41. To facilitate and conceal the scheme, participants in the scheme falsified numerous business records, such as contracts, invoices, and "Acceptance" forms that indicated services had been provided pursuant to the contracts; misrepresented information to auditors from the Office

of the New York State Comptroller; and submitted falsified invoices as part of the production of evidence pursuant to subpoenas issued by the Office of the New York State Attorney General.

B. The Award of County Contracts to Local Development Corporations

42. Although Monroe County purportedly used a competitive RFP process to award certain contracts involving local development corporations, in actuality, the awarding of those contracts was manipulated by insiders to secretly direct the contracts to favored corporations. In particular, the insiders, including the defendants and others:

- met regularly to discuss ideas for future County projects
- developed the language in the RFPs for those projects to give a competitive advantage to the favored corporations
- exchanged drafts of the RFPs for those projects with the goal of providing the favored corporations with advance knowledge and inside information, enabling the favored corporations to tailor their bid responses
- misled other bidders
- discussed talking points that provided reasons for the selection of the favored corporations
- based award decisions on criteria that only the favored corporations could meet
- planned for the selection of specific subcontractors, who would participate in the scheme
- created corporations designed to hide their true owners in part to allow those corporations to win the bids

43. As a result of this collusion, the County awarded the IT contract to Siemens.

44. As a result of this collusion, UTC awarded the UTC refresh contract to Treadstone.

45. As a result of this collusion, the County awarded the public safety contract to Navitech.

C. The Creation of Fake Contracts, the Inflation of Subcontracts, and the Submission of False Invoices

1. *CCS*

46. After the award of the UTC contract to Siemens, Siemens subcontracted with CCS to provide various services for the Upstate Telecommunications project. UTC also contracted directly with CCS to provide certain services for the project.

47. Defendant DANIEL LYNCH inflated the value of several of these contracts. An individual known to the grand jury (“Individual 1”) then would submit inflated invoices to UTC and Siemens. Individual 1 placed the payments received pursuant to the inflated invoices in special bank accounts which LYNCH controlled.

48. Defendant JOHN MAGGIO created false invoices from both John Maggio C.P.A. and Navitech that MAGGIO submitted to CCS for payment from one of the special bank accounts controlled by defendant DANIEL LYNCH.

2. *The Siemens Copier Contract and the Toshiba Chalet Package at the 2008 Senior PGA Championship Tournament*

49. The Siemens copier contract was fraudulent because it was duplicative of services Toshiba was already providing to UTC under the Toshiba copier contract. The true purpose of the Siemens copier contract was to provide a source of funds for participants in the scheme to use for their personal benefit.

50. In May 2008, the Senior PGA Championship tournament was held at Oak Hill (the “tournament”).

51. Sponsors of the tournament purchased chalet packages from the PGA to host parties and other events under tents during the tournament.

52. Chalet packages at Oak Hill for the tournament cost approximately \$100,000.
53. In or around December 2007, defendant DANIEL LYNCH and an individual known to the grand jury ("Individual 2") discussed the purchase of a tent for the tournament. LYNCH and Individual 2 agreed that Siemens and Toshiba would share the cost of the tent.
54. In or around January 2008, defendant DANIEL LYNCH and Individual 2 agreed that Toshiba would prepare false invoices to submit to Siemens to pay for a portion of the tent, because LYNCH could not use Siemens funds for that purpose.
55. Specifically, defendant DANIEL LYNCH and Individual 2 agreed to create invoices indicating a contractual relationship between Toshiba and Siemens for the design, development, and management of the copier project, when in fact Toshiba had already contracted directly with UTC for the copier project and Siemens had already contracted directly with UTC for the management of the copier project.
56. No contract between Toshiba and Siemens existed for the design, development, and management of the copier project.
57. Individual 2 then directed the creation of a series of false invoices from Toshiba to Siemens causing Siemens to generate payments to Toshiba totaling \$75,000, ostensibly for work related to the copier project.
58. Other false documents, including business records of UTC and Siemens, were generated to make it appear as if the \$75,000 in payments from Siemens to Toshiba was for a legitimate purpose related to the copier project, when in fact the true purpose of the \$75,000 was to pay for the Toshiba chalet package.
59. Toshiba used the illegally obtained \$75,000 to pay the PGA for the chalet package.

D. Laundering of the Proceeds of the Scheme

1. *Payments Made Directly to Participants in the Scheme*

60. Proceeds of the scheme were directed to participants in the scheme for their personal benefit, including payments for entertainment expenses.

61. Among other benefits to participants in the scheme, Treadstone received payments in excess of two million dollars from Navitech.

62. Among other benefits to participants in the scheme, John Maggio C.P.A. received payments in excess of 1.3 million dollars from Navitech.

2. *Payments Made for the Benefit of Participants in the Scheme Related to Golf*

63. Proceeds of the scheme were directed to pay for golf events, including attendance at expensive tournaments and country club outings.

64. Proceeds of the scheme were directed to charitable organizations, including golf outings sponsored by those charitable organizations, in which participants in the scheme had a personal interest.

3. *Campaign Contributions*

65. Proceeds of the scheme were directed to political campaign accounts, with the intention of continuing to provide participants in the scheme with access to government officials in decisionmaking positions who would allow the participants to continue the scheme.

COUNT ONE

THE GRAND JURY, by this indictment, accuses the defendants DANIEL LYNCH, JOHN MAGGIO, NELSON RIVERA, and ROBERT WIESNER of the crime of **COMBINATION IN RESTRAINT OF TRADE AND COMPETITION, in violation of General Business Law §§ 340 and 341**, committed as follows:

The defendants DANIEL LYNCH, JOHN MAGGIO, NELSON RIVERA, and ROBERT WIESNER, from in or around March 2004 to on or about October 9, 2013, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowingly and intentionally entered into and engaged in and continued to engage in a contract, agreement, arrangement, and combination in unreasonable restraint of competition and the free exercise of activity in the conduct of business, trade, and commerce, specifically, to restrain competition in the bidding process of Monroe County for certain contracts related to local development corporations, by means of bid rigging.

COUNT TWO

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and NELSON RIVERA of the crime of **COMBINATION IN RESTRAINT OF TRADE AND COMPETITION, in violation of General Business Law §§ 340 and 341**, committed as follows:

The defendants DANIEL LYNCH and NELSON RIVERA, from in or around March 2004 to on or about October 9, 2013, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowingly and intentionally entered into and engaged in and continued to engage in a contract, agreement, arrangement, and combination in unreasonable

restraint of competition and the free exercise of activity in the conduct of business, trade, and commerce, specifically, to restrain competition in the bidding process of Monroe County for the IT contract, by means of bid rigging.

COUNT THREE

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH, JOHN MAGGIO, and NELSON RIVERA of the crime of **COMBINATION IN RESTRAINT OF TRADE AND COMPETITION, in violation of General Business Law §§ 340 and 341**, committed as follows:

The defendants DANIEL LYNCH, JOHN MAGGIO, and NELSON RIVERA, from in or around September 2008 to in or around May 2009, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowingly and intentionally entered into and engaged in and continued to engage in a contract, agreement, arrangement, and combination in unreasonable restraint of competition and the free exercise of activity in the conduct of business, trade, and commerce, specifically, to restrain competition in the bidding process of UTC for the UTC refresh contract, by means of bid rigging.

COUNT FOUR

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH, JOHN MAGGIO, NELSON RIVERA, and ROBERT WIESNER of the crime of **COMBINATION IN RESTRAINT OF TRADE AND COMPETITION, in violation of General Business Law §§ 340 and 341**, committed as follows:

The defendants DANIEL LYNCH, JOHN MAGGIO, NELSON RIVERA, and ROBERT WIESNER, from in or around March 2008 to on or about October 9, 2013, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowingly and intentionally entered into and engaged in and continued to engage in a contract, agreement, arrangement, and combination in unreasonable restraint of competition and the free exercise of activity in the conduct of business, trade, and commerce, specifically, to restrain competition in the bidding process of Monroe County for the public safety contract, by means of bid rigging.

COUNT FIVE

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, from in or around December 2005 to in or around February 2006, in the County of Monroe, stole property, specifically, property relating to a series of contracts with CCS for the Upstate Telecommunications project, and the value of the property exceeded \$50,000.

COUNT SIX

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, from in or around December 2005 to in or around February 2008, in the County of Monroe, stole property, specifically, property related to a \$40,000 contract between UTC and CCS, and the value of the property exceeded \$3,000.

COUNT SEVEN

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, from in or around June 2006 to in or around April 2007, in the County of Monroe, stole property, specifically, property related to a \$70,000 contract between Siemens and CCS, and the value of the property exceeded \$3,000.

COUNT EIGHT

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, in or around February 2008, in the County of Monroe, stole property, specifically, property related to a \$40,000 contract between Siemens and CCS, and the value of the property exceeded \$3,000.

COUNT NINE

AND THE GRAND JURY, by this indictment, further accuses defendant DANIEL LYNCH of the crime of **CONSPIRACY IN THE FOURTH DEGREE, in violation of Penal Law § 105.10(1)**, committed as follows:

Defendant DANIEL LYNCH, from in or around December 2006 to in or around December 2008, in the County of Monroe, with intent that conduct constituting Grand Larceny in the Second Degree, in violation of Penal Law §155.40, be performed, agreed with one or more persons to engage in and cause the performance of such conduct.

The purpose of the conspiracy was to steal up to \$30,000 per year in payments for a five-year contract between Siemens and CCS. The conspiracy consisted of the defendant and others, known and unknown to the grand jury, who, during the course of the conspiracy, committed the following overt acts, among other acts, each aiding the other and acting in concert with each other, as part of and in furtherance of the conspiracy and to effect its objectives:

Overt Acts

1. In or around December 2006, defendant DANIEL LYNCH and Individual 1 agreed to create a contract that would include inflated values for the actual cost of the services to be provided under the contract.
2. On or about December 26, 2006, Individual 1 signed the contract.
3. In or around February 2007, a \$30,000 invoice from CCS, dated January 1, 2007, was received by Siemens.
4. In or around January 2008, a \$30,000 invoice from CCS, dated January 1, 2008, was received by Siemens.
5. In or around March 2007, a \$30,000 check from Siemens to CCS was deposited in a special bank account.
6. In or around February 2008, a \$30,000 check from Siemens to CCS was deposited in a special bank account.
7. In or around 2008, Individual 1 signed an Acceptance form for services purportedly provided in 2007.
8. In or around 2008, Individual 1 signed an Acceptance form for services purportedly provided in 2008.

COUNT TEN

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, from in or around March 2007 to in or around February 2008, in the County of Monroe, stole property, specifically, property related to two payments of \$30,000 as part of a five-year contract between Siemens and CCS, and the value of the property exceeded \$3,000.

COUNT ELEVEN

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and NELSON RIVERA of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10**, committed as follows:

Defendants DANIEL LYNCH and NELSON RIVERA, acting in concert with others known and unknown to the grand jury, in or around 2008, in the County of Monroe, with intent to defraud, made and caused a false entry in the business records of an enterprise, specifically, a Siemens Acceptance form indicating that services for the Upstate Telecommunications project had been completed in 2007, when in fact those services had not been provided, and their intent to defraud included an intent to commit the crime of Grand Larceny and to aid and conceal the commission of the crime of Grand Larceny.

COUNT TWELVE

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and NELSON RIVERA of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10**, committed as follows:

Defendants DANIEL LYNCH and NELSON RIVERA, acting in concert with others known and unknown to the grand jury, in or around 2008, in the County of Monroe, with intent to defraud, made and caused a false entry in the business records of an enterprise, specifically, a Siemens Acceptance form indicating that services for the Upstate Telecommunications project had been completed in 2008, when in fact those services had not been provided, and their intent to defraud included an intent to commit the crime of Grand Larceny and to aid and conceal the commission of the crime of Grand Larceny.

COUNT THIRTEEN

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, acting in concert with others known and unknown to the grand jury, in or around November 2008, in the County of Monroe, stole property, specifically, property related to a \$15,000 invoice from John Maggio C.P.A. to CCS, and the value of the property exceeded \$3,000.

COUNT FOURTEEN

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, acting in concert with others known and unknown to the grand jury, on or about October 28, 2008, in the County of Monroe, with intent to defraud, made and caused a false entry in the business records of an enterprise, specifically, a \$15,000 invoice from John Maggio C.P.A. to CCS that purported to be a retainer agreement, and their intent to defraud included an intent to commit the crime of Grand Larceny and to aid and conceal the commission of the crime of Grand Larceny.

COUNT FIFTEEN

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, acting in concert with others known and unknown to the grand jury, in or around January 2009, in the County of Monroe, stole property, specifically, property related to a \$10,000 invoice from Navitech to CCS, and the value of the property exceeded \$3,000.

COUNT SIXTEEN

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, acting in concert with others known and unknown to the grand jury, on or about January 23, 2009, in the County of Monroe, with intent to defraud, made and caused a false entry in the business records of an enterprise, specifically, a \$10,000 invoice from Navitech to CCS that purported to be for "consulting services," and their intent to defraud included an intent to commit the crime of Grand Larceny and to aid and conceal the commission of the crime of Grand Larceny.

COUNT SEVENTEEN

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE, in violation of Penal Law § 175.35**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, acting in concert with others known and unknown to the grand jury, in or around October 2012, in the County of Monroe and elsewhere, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority, and public benefit corporation of the state, offered and presented it to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and

otherwise become part of the records of such public office and public servant, specifically, a \$15,000 invoice from John Maggio C.P.A. to CCS that purported to be a retainer agreement.

COUNT EIGHTEEN

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, from in or around December 2007 to in or around October 2008, in the County of Monroe, stole property, specifically, property related to the Siemens copier contract, and the value of the property exceeded \$50,000.

COUNT NINETEEN

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, from in or around December 2007 to in or around October 2008, in the County of Monroe, stole property, specifically, \$75,000 related to a series of invoices from Toshiba to Siemens, and the value of the property exceeded \$50,000.

COUNT TWENTY

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, in or around September 2008, in the County of Monroe, with intent to defraud, made and caused a false entry in the business records of an enterprise, specifically, a record of UTC indicating that products and services under the Siemens copier contract had been delivered and accepted, when in fact payments for those products and services were diverted and misappropriated to fund the Toshiba chalet package, and his intent to defraud included an intent to commit the crime of Grand Larceny and to aid and conceal the commission of the crime of Grand Larceny.

COUNT TWENTY-ONE

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10**, committed as follows:

Defendant DANIEL LYNCH, acting in concert with others known and unknown to the grand jury, in or around December 2008, in the County of Monroe, with intent to defraud, made and caused a false entry in the business records of an enterprise, specifically, a record of Siemens Building Technologies, Inc. indicating that products and services under the Siemens copier contract had been delivered and accepted, when in fact payments for those products and services were diverted and misappropriated to fund the Toshiba chalet package, and his intent to defraud

included an intent to commit the crime of Grand Larceny and to aid and conceal the commission of the crime of Grand Larceny.

COUNT TWENTY-TWO

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **MONEY LAUNDERING IN THE SECOND DEGREE, in violation of Penal Law §§ 470.15(1)(b)(ii)(A) and (iii)**, committed as follows:

Defendant DANIEL LYNCH, from in or around April 2006 to in or around April 2009, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowing that the property involved in one or more financial transactions represented the proceeds of specified criminal conduct, specifically, Grand Larceny in the Second and Third Degrees, in violation of New York State Penal Law §§ 155.40 and 155.35 and a conspiracy and attempt to violate those laws, conducted one or more financial transactions which in fact involved the proceeds of the specified criminal conduct, knowing that such financial transactions in whole and in part were designed to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified criminal conduct, and the total value of the property involved in such financial transactions exceeded one hundred thousand dollars.

COUNT TWENTY-THREE

AND THE GRAND JURY, by this indictment, further accuses the defendant DANIEL LYNCH of the crime of **MONEY LAUNDERING IN THE THIRD DEGREE, in violation of Penal Law § 470.10(1)(b)(i)(A) and (iii)**, committed as follows:

Defendant DANIEL LYNCH, from in or around April 2006 to in or around April 2009, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowing that the property involved in one or more financial transactions represented the proceeds of specified criminal conduct, specifically, Grand Larceny in the Second and Third Degrees, in violation of New York State Penal Law §§ 155.40 and 155.35 and a conspiracy and attempt to violate those laws, conducted one or more financial transactions which in fact involved the proceeds of the specified criminal conduct, with intent to promote the carrying on of specified criminal conduct, specifically, conduct constituting a violation of Article Twenty-Two of the New York State General Business Law concerning monopolies and a conspiracy and attempt to violate that law, and the total value of the property involved in such financial transactions exceeded fifty thousand dollars.

COUNT TWENTY-FOUR

AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **CONSPIRACY IN THE FOURTH DEGREE, in violation of Penal Law § 105.10(1)**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, from in or around July 2008 to on or about the date of this indictment, in the County of Monroe, with intent that conduct constituting Money Laundering in the Second Degree, in violation of Penal Law Section

470.15(1)(b)(ii)(A) and (iii), be performed, agreed with one or more persons to engage in and cause the performance of such conduct.

The purpose of the conspiracy was to launder the proceeds of a bid rigging scheme for the benefit of the participants in the scheme by concealing and disguising the nature, the location, the source, the ownership, and the control of the proceeds. The conspiracy consisted of the defendants and others, known and unknown to the grand jury, who, during the course of the conspiracy, committed the following overt acts, among other acts, each aiding the other and acting in concert with each other, as part of and in furtherance of the conspiracy and to effect its objectives:

Overt Acts

1. On or about July 8, 2008, Treadstone was incorporated.
2. On or about October 29, 2008, Treadstone submitted a response to a UTC RFP to manage a refresh project.
3. On or about December 1, 2008, Navitech was incorporated.
4. On or about December 23, 2008, defendant JOHN MAGGIO was part of a presentation to the UTC Board of Directors.
5. On or about December 23, 2008, defendant JOHN MAGGIO signed an Assignment and Assumption Agreement.
6. On or about January 14, 2009, defendant JOHN MAGGIO opened a Navitech account at M&T Bank.
7. On or about January 14, 2009, defendant DANIEL LYNCH signed a signature card for the Navitech account at M&T Bank.
8. On or about April 2, 2009, defendant JOHN MAGGIO, on behalf of Navitech,

submitted a response to the County RFP for the Monroe Safety and Security Systems project.

9. On or about January 1, 2010, defendant JOHN MAGGIO, on behalf of Navitech, signed a Development and Implementation Agreement with M3S.

10. In or about February 2011, defendant DANIEL LYNCH signed a professional services agreement that was backdated to January 1, 2009.

11. On or about April 2, 2013, defendant JOHN MAGGIO endorsed a \$40,000 Navitech check, payable to Treadstone.

COUNT TWENTY-FIVE


AND THE GRAND JURY, by this indictment, further accuses the defendants DANIEL LYNCH and JOHN MAGGIO of the crime of **MONEY LAUNDERING IN THE SECOND DEGREE, in violation of Penal Law §§ 470.15(1)(b)(ii)(A) and (iii)**, committed as follows:

Defendants DANIEL LYNCH and JOHN MAGGIO, from in or around March 2009 to on or about the date of this indictment, in the County of Monroe, acting in concert with others known and unknown to the grand jury, knowing that the property involved in one or more financial transactions represented the proceeds of specified criminal conduct, specifically, conduct constituting a violation of Article Twenty-Two of the New York State General Business Law concerning monopolies and a conspiracy and attempt to violate that law, conducted one or more financial transactions which in fact involved the proceeds of the specified criminal conduct, knowing that such financial transactions in whole and in part were designed to conceal and

disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified criminal conduct, and the total value of the property involved in such financial transactions exceeded one hundred thousand dollars.

Dated: October 16, 2013

ERIC T. SCHNEIDERMAN
New York State Attorney General

BY: 

Ann Marie Preissler
Assistant Attorney General

COUNTS:

COMBINATION IN RESTRAINT OF TRADE AND COMPETITION, in violation of General Business Law §§ 340 and 341 (4 counts)

Defendant DANIEL LYNCH - 4 counts

Defendant JOHN MAGGIO - 3 counts

Defendant NELSON RIVERA - 4 counts

Defendant ROBERT WIESNER - 2 counts

GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40 (3 counts)

Defendant DANIEL LYNCH

GRAND LARCENY IN THE THIRD DEGREE, in violation of Penal Law § 155.35 (6 counts)

Defendant DANIEL LYNCH - 6 counts

Defendant JOHN MAGGIO - 2 counts

CONSPIRACY IN THE FOURTH DEGREE, in violation of Penal Law § 105.10(1) (2 counts)

Defendant DANIEL LYNCH – 2 counts

Defendant JOHN MAGGIO – 1 count

FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE, in violation of Penal Law § 175.10 (6 counts)

Defendant DANIEL LYNCH - 6 counts

Defendant JOHN MAGGIO - 2 counts

Defendant NELSON RIVERA - 2 counts

OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE, in violation of Penal Law § 175.35 (1 count)

Defendant DANIEL LYNCH

Defendant JOHN MAGGIO

MONEY LAUNDERING IN THE SECOND DEGREE, in violation of Penal Law §§ 470.15(1)(b)(ii)(A) and (iii) (2 counts)

Defendant DANIEL LYNCH – 2 counts

Defendant JOHN MAGGIO – 1 count

MONEY LAUNDERING IN THE THIRD DEGREE, in violation of Penal Law § 470.10 (1)(b)(i)(A) and (iii) (1 count)

Defendant DANIEL LYNCH

SEALED

No. 1007 A.G.

Monroe County Court

New York

THE PEOPLE

of the

State of New York

vs.

DANIEL LYNCH, JOHN MAGGIO,
NELSON RIVERA, AND ROBERT WIESNER

INDICTMENT

Combination in Restraint of Trade and Competition (Lynch - 4 cts) (Maggio - 3 cts) (Rivera - 4 cts) (Wiesner - 2 cts) Grand Larceny in the Second Degree (Lynch - 3 cts), Grand Larceny in the Third Degree (Lynch - 6 cts) (Maggio - 2 cts), Conspiracy in the Fourth Degree (Lynch - 2 cts) (Maggio - 1 ct), Falsifying Business Records in the First Degree (Lynch - 6 cts) (Maggio - 2 cts) (Rivera - 2 cts), Offering a False Instrument for Filing in the First Degree (Lynch - 1 ct) (Maggio - 1ct), Money Laundering in the Second Degree (Lynch - 2cts) (Maggio - 1 ct) and Money Laundering in the Third Degree (Lynch - 1 ct.)

A TRUE BILL

Foreman

Filed October 16, 2013
Date