

A.G. Schneiderman Announces Criminal Charges Against Suny Polytechnic President And A Major Capital Region Real Estate Developer In Alleged Bid-Rigging Scheme

SUNY Poly President Is Accused Of Fraudulently Steering Taxpayer-Funded Contracts To Handpicked Companies

Felony Complaint Available

NEW YORK – Attorney General Eric T. Schneiderman announced the filing of a felony complaint charging two individuals for a scheme to rig the bidding process for three multimillion-dollar contracts. Alain Kaloyeros, 60, of Slingerlands, the President of SUNY Polytechnic Institute, has been charged with three felony counts of Combination in Restraint of Trade and Competition. Joseph Nicolla, 59, of Schenectady, the president of Columbia Development, has been charged with one felony count of Combination in Restraint of Trade and Competition.

The felony complaint alleges that Kaloyeros steered, or agreed to steer, the awarding of contracts to handpicked companies, including Nicolla's Columbia Development.

“The charges filed today outline a blatant and brazen abuse of taxpayer dollars and the public trust,” said **Attorney General Schneiderman**. “This self-serving scheme alleged in the complaint was particularly egregious because it was aimed at enriching powerful people at the expense of the state's public university system. We will continue to hold public officials accountable and ensure that all officials are held to the same high standard of integrity that New Yorkers deserve.”

Kaloyeros is scheduled to be arraigned in Albany City Court on Friday, September 23rd. Nicolla is scheduled to be arraigned on Monday, September 26th.

If convicted on all charges, Kaloyeros faces a maximum sentence of 4 to 12 years in prison. If convicted on all charges, Mr. Nicolla faces a maximum sentence of 1.3 to 4 years in prison.

According to the felony complaint, Kaloyeros, a government official, engaged in an ongoing scheme to direct the contracts for government financed projects to favored companies, including Nicolla's company, Columbia Development. Rather than use a fair and competitive process to award contracts, Kaloyeros allegedly improperly used the Request for Proposal process to award certain contracts for the construction of facilities for SUNY Poly.

This collusion is evidenced in three separate alleged schemes:

The first scheme involved a contract for the development of a SUNY Poly student housing complex on Loughlin Street in Albany that was awarded to Nicolla's company, Columbia Development. According to the felony complaint, Kaloyeros colluded with Columbia to give the company an unfair competitive advantage in the bidding process for the project. As part of the alleged scheme, Kaloyeros, who exercised effectively unilateral control over the bidding process, forwarded a solicitation from a rival construction company to Nicolla six months before the issuance of a state RFP. Then, a month before the RFP was issued, he allegedly sent Nicolla a note stating “time to prepare an RFP for student housing,” with the specifications included. According to the felony complaint, the housing project was to ultimately be financed with revenue from “room fees” paid by SUNY Poly students.

The second scheme related to the construction of the so-called NanoFab West research building. According to the felony complaint, Kaloyeros orchestrated the hiring and firing of multiple firms participating in the project, and ultimately awarded the most lucrative contract to a contractor who agreed to provide a \$50,000,000 loan to a non-profit organization connected

to SUNY Poly and effectively controlled by Kaloyeros. As part of the its proposal the contractor offered to provide a \$3,000,000 research grant to SUNY Poly. According to the felony complaint, Kaloyeros' compensation was determined in part by the amount of research grants awarded to SUNY Poly.

The third alleged scheme involved a collusive agreement with an architectural firm, where, in exchange for the firm's agreement to lease space in a SUNY Poly building, Kaloyeros agreed to give the firm future work on SUNY Poly projects. According to the felony complaint, the architectural firm would increase its future rent payments to SUNY Poly in proportion to the amount of future state dollars steered to the company by SUNY Poly. According to the felony complaint, Kaloyeros boasted about his ability to unilaterally control the RFP process and to "write an RFP in such a way that only one company could win it."

The charges against the defendants are merely allegations. All defendants are presumed innocent until and unless proven guilty in a court of law.

This case is being prosecuted by Assistant Attorney General Christopher Baynes of the Public Integrity Bureau under the supervision of Public Integrity Bureau Chief Daniel Cort and Deputy Bureau Chief Stacy Aronowitz. The Division of Criminal Justice is led by Executive Deputy Attorney General Kelly Donovan.

The investigation was conducted by Investigator Mark Spencer and Legal Analyst Sara Pogorzelski. The Investigations Bureau is led by Bureau Chief Dominick Zarrella and Deputy Bureau Chief Antoine Karam. Forensic auditing analysis was provided by Associate Forensic Auditor Jason W. Blair from the Forensic Audit Section, led by Chief Auditor Edward J. Keegan, Jr.

Attorney General Schneiderman also thanked the Office of the US Attorney for the Southern District of New York and the Federal Bureau of Investigation, which has been conducting a separate investigation into related conduct, and has been coordinating its investigative efforts with the Office of the Attorney General.

[Español](#)

New York City Press Office: (212) 416-8060

Albany Press Office: (518) 776-2427

nyag.pressoffice@ag.ny.gov

**A.G. Schneiderman Announces Results Of
"Operation Child Tracker," Ending Illegal
Online Tracking Of Children At Some Of
Nation's Most Popular Kids' Websites**

A.G. Schneiderman Announce...



A.G. Schneiderman Announces \$4 Million Pilot Program To Help Everyday New Yorkers Transform Nearby Vacant Homes Into Safe, Affordable Housing

A.G. Schneiderman Announce...



A.G. Schneiderman Announces Indictment Of Political Consultant Steven Pigeon And Guilty Plea Of State Supreme Court Justice John A. Michalek

A.G. Schneiderman Announce...



A.G. Schneiderman Announces Partial Multistate And Federal Settlements Of Up To \$15 Billion With Volkswagen, Audi And Porsche, Including Unprecedented Relief For Defrauded New Yorkers

A.G. SCHNEIDERMAN ANNOU...



Press Release Archive

- September 2016
- August 2016
- July 2016
- June 2016
- May 2016
- April 2016
- March 2016
- February 2016
- January 2016
- December 2015
- November 2015
- October 2015

[VIEW ALL PRESS RELEASE ARCHIVES](#)

