

## **Statement of Facts**

### **Introduction**

From April 2013 through July 2021, Robert Baselice a/k/a Robert Basilice (“Robert Baselice” or “Baselice”), 51, an executive at a construction management firm (the “Firm”), orchestrated and directed a kickback scheme to steal money from at least seven developers on construction projects in New York County, line his and his co-conspirators’ pockets, and cover up the criminal conduct. Baselice manipulated the Firm’s competitive bidding process for trade subcontractors, steering over \$100,000,000 in trade subcontracts and change orders--often at inflated prices--to co-conspirator subcontractors in exchange for kickback payments benefitting Baselice and his associates. In total, the co-conspirator trade subcontractors paid over \$4,200,000 to Baselice (and entities and individuals related to him); and over \$2,800,000 to entities controlled by his associates, including Louis Astuto and Paul Noto. Astuto and Noto, in turn, distributed hundreds of thousands of dollars in criminal proceeds to entities owned by Frank Camuso and his family members. The quantifiable thefts from the Firm’s clients are over \$5,000,000. The indictment charges Baselice and his co-conspirators with multiple felonies related to this conduct.

### **Background**

#### **The Firm**

The Firm is a commercial general contracting and construction management firm based in Secaucus, New Jersey, with satellite offices in New York County, including at 125 Maiden Lane. The Firm managed multiple high-rise construction projects in New York County, including: 11 Stone Street (the FiDi Hotel), 12 East 48<sup>th</sup> Street (Hilton Club The Central at 5th New York), 75 Kenmare Street, 101 West 28<sup>th</sup> Street (the Remy), 106 West 56<sup>th</sup> Street (the Six office building), 189 Bowery (the citizenM New York Bowery Hotel), 250 Fifth Avenue (the Fifth Avenue Hotel), and 396 Broadway (the Walker Hotel Tribeca). The Firm marketed itself to developers as uniquely positioned to construct

high-quality buildings at low costs due to its expertise and industry relationships with non-union subcontractors.

Robert Baselice was a vice president at the Firm and, as the Firm's project executive, oversaw all of the above-listed projects. Baselice separately owned DVA Group LLC ("DVA"), an entity with an address of 415 Albourne Avenue, Staten Island, New York, that Baselice used to accept kickbacks from co-conspirator trade subcontractors who performed work on the Firm's projects in New York County and elsewhere.

#### The Firm's Obligations to Clients and Competitive Bidding Process for Trade Subcontracts

As Baselice well knew, the Firm's contracts with its real estate developer clients required the Firm, and therefore Baselice, to act in the clients' economic interests at all times, with full transparency, in an "open book" environment, and without any conflict of interest. The agreements specifically prohibited kickbacks.

For each project, the Firm selected trade subcontractors to recommend to clients through a competitive bidding process, negotiated the final trade subcontract awards (the "buy-out" of the trades), oversaw the trade subcontractors' performance of the work, and verified the subcontractors' requisitions for payment. If a developer refused a trade subcontractor recommendation, the developer bore any subsequent risk of cost overrun. At all times, the developers relied upon the Firm and Baselice to provide truthful and accurate information, particularly with regard to bids, and to act in their interests.

#### Baselice's Kickback Scheme

In a systematic and ongoing manner, Baselice used his authority over the Firm's trade subcontractor bidding, buy-out and requisition processes to steal from the Firm's clients for his and his co-conspirators' benefit. Baselice directed his project team to include specific co-conspirator trade subcontractors on project bidders' lists, provided inside information about competitors' bids to co-

conspirator trade subcontractors, and directed them to raise their bids to include a kickback, room for negotiation, and as much profit as possible, given the clients' budgets and the Firm's internal estimates for each trade<sup>1</sup>. Once the co-conspirator trade subcontractors submitted their inflated bids, Baselice caused the Firm to forward them to the clients, as the subcontractors' actual bids. Baselice then lobbied on behalf of the co-conspirator trade subcontractors and participated in final negotiations, including at "buy-out" meetings with the developers, where Baselice engaged in a show of arm-twisting the co-conspirator trade subcontractors to force them to lower their price (what he referred to as his "dog and pony show"<sup>2</sup>, in a false display of loyalty to the developers and the arms' length nature of the negotiations.

Once Baselice secured awards for the co-conspirator trade subcontractors, he used his position to ensure that their requisitions were processed, that the developers paid the Firm, and that the Firm paid the co-conspirator trade subcontractors. At some point thereafter, and in varying ways, Baselice and his associates collected the agreed-upon kickbacks.

### **Co-Conspirator Trade Subcontractors and Distribution of Criminal Proceeds**

#### **Group 1: Co-Conspirator Trade Subcontractors that Paid Kickbacks to Benefit Baselice and his Close Associates**

As detailed below, certain co-conspirator trade subcontractors apportioned their kickback payments between Baselice, DVA, and additional payee entities, including those controlled by co-conspirators Louis Astuto and Paul Noto. Astuto and Noto, in turn, distributed criminal proceeds to entities owned by Frank Camuso and his family, for Camuso's benefit.

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<sup>1</sup> As an example, see Exhibit A, an excerpt of a WhatsApp communication between Robert Baselice and Yaakov "Hershy" Pfeiffer, with regard to Right Away Electric LLC's bid for the electrical subcontract on the 106 West 56<sup>th</sup> Street project.

<sup>2</sup> See Exhibit B, a WhatsApp communication between Robert Baselice and Individual 1, with regard to ECI Contracting LLC's bid for the concrete foundation subcontract on the 106 West 56<sup>th</sup> Street project.

### Frank Camuso

Frank Camuso, 59, is a close associate of Baselice, Louis Astuto, and Paul Noto. He and his family members own three co-conspirator payee entities: Gem Consulting Group, LLC (“Gem”), based in Staten Island, New York; and HMFL Management Inc. (“HMFL”) and MVJ Inc.. (“MVJ”), both based in Brooklyn, New York. Collectively, Gem, HMFL, and MVJ received over \$750,000 in criminal proceeds from co-conspirators derived from the kickbacks.

### Louis Astuto

Louis Astuto, 58, a close associate of Baselice, Frank Camuso, and Paul Noto, is a managerial employee of co-conspirator drywall subcontractor Schear Construction LLC (“Schear”) and the owner of three co-conspirator payee entities, Cross County Management & Consulting Corp. (“Cross County”), Prime Designs Inc. (“Prime Design”), and Prime Drywall & Design Inc. D/B/A Prime Management (“Prime Management”), all based in Staten Island, New York. Astuto participated in the collection of kickbacks from Schear and other co-conspirator trade subcontractors and distributed criminal proceeds to Gem and HMFL for Camuso’s benefit.

### Paul Noto

Paul Noto, 43, a close associate of Baselice, Louis Astuto, and Frank Camuso, owns co-conspirator trade subcontractor Stellar Home Improvement Inc. (“Stellar”) and co-conspirator payee entity Master Masonry Inc. (“Master Masonry”), both based in Staten Island, New York. With the assistance of Baselice, Astuto, and Camuso, Noto obtained a subcontract on the Firm’s project at 75 Kenmare Street. Together, the co-conspirators stole more than \$3,000 from Developer 7.

### Michael Tomasulo

Michael Tomasulo, 62, owns co-conspirator payee entity Dora Energy LLC (“Dora”), based in Holmdel, New Jersey. Robert Baselice referred to Tomasulo as his “cousin.” At Baselice’s direction, co-conspirator trade subcontractors paid over **\$350,000** in kickbacks to Dora.

David Gembala, Schear Construction LLC and Concrecel USA SE LLC

David Gembala, 47, is the principal of Schear, a co-conspirator carpentry and drywall subcontractor with an office in New York County, and Concrecel USA SE LLC (“Concrecel”), a co-conspirator concrete subcontractor based in Florida. With Basalice’s assistance, Schear and Concrecel obtained over \$18,000,000 in subcontracts and change orders on the Firm’s projects, including 11 Stone Street, 12 East 48<sup>th</sup> Street, 101 West 28<sup>th</sup> Street, 106 West 56<sup>th</sup> Street, and 75 Kenmare Street. Together, the co-conspirators stole over **\$400,000** from Developers 2, 3, 4, and 7. Gembala and his companies paid kickbacks, and Louis Astuto distributed proceeds for Camuso’s benefit, as follows:

<b>Date Range</b>	<b>Payors</b>	<b>Payees</b>	<b>Kickbacks</b>	<b>Distribution to Gem and HMFL</b>
4/1/13 – 2/28/20	Gembala, Concrecel, and Schear	Basalice and DVA	\$1,154,120	
1/1/19 – 2/28/21	Gembala and Schear	Astuto, Cross County, and Prime Management	\$1,266,543	\$509,006
<b>Total Kickbacks</b>			<b>\$2,420, 663</b>	

Mario Garafola, Jeanine Garafola, and Earth Structures Inc.

Mario Garafola, 61, was the owner of Earth Structures Inc. (“Earth Structures”), a co-conspirator concrete subcontractor previously based in Staten Island, New York. Jeanine Garafola, 53, was a manager of the business, including the accounts. With Basalice’s assistance, Earth Structures obtained over \$7,000,000 in subcontracts and change orders on the Firm’s projects, including 12 East 48<sup>th</sup> Street and 250 Fifth Avenue<sup>3</sup>. Together, the co-conspirators stole over **\$700,000** from Developers 1 and 3. Mario Garafola caused Earth Structures to pay kickbacks, and Astuto and Noto distributed proceeds for Camuso’s benefit as follows:

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<sup>3</sup> Ultimately, Earth Structures was removed from both 12 East 48<sup>th</sup> Street and 250 Fifth Avenue for diverting requisition funds from the vendors who were owed payment on the projects.

## Kickbacks

Date range	Payee	Kickbacks
6/20/17 – 4/9/18	DVA	\$301,033
12/22/17 – 3/12/18	Dora	\$68,217
9/20/17 – 4/17/18	MDP Rebar Solutions LLC	\$88,745
7/26/17 – 4/11/18	Master Masonry	\$274,159
12/14/17 – 4/10/18	Prime Management	\$24,941
<b>6/20/17 - 4/17/18</b>	<b>TOTAL</b>	<b>\$757,095</b>

## Distributions

Date Range	Payor	Payee	Amount
8/2/17- 4/26/18	Master Masonry	Gem	\$198,900
1/1/18 – 1/30/18	Master Masonry	Prime Management	\$40,000
2/23/18 – 3/6/18	Prime Management	Gem	\$40,000
<b>8/2/17 – 4/6/18</b>	<b>TOTAL RECEIVED BY GEM</b>		<b>\$238,900</b>

### Vincent Badali, TRV Mechanical Contractors LLC, and Airforce 1Mechanical LLC

Vincent Badali, 61, is the owner of TRV Mechanical Contractors LLC (“TRV”) and Airforce 1Mechanical LLC (“Airfoce 1”), co-conspirator heating, ventilation, and air conditioning (“HVAC”) subcontractors based in Kenilworth, New Jersey. With Baselice’s assistance, TRV and Airforce 1 obtained over \$15,000,000 in subcontracts and change orders on the Firm’s projects, including 101 West 28<sup>th</sup> Street<sup>4</sup>, 11 Stone Street, 106 West 56<sup>th</sup> Street and 189 Bowery. Together, the co-conspirators stole over **\$1,000,000** from Developers 2, 4, and 6. In return, Badali caused TRV and Airforce 1 to pay kickbacks, and Noto distributed proceeds for Camuso’s benefit as follows:

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<sup>4</sup> Baselice recommended TRV as the HVAC subcontractor for the 101 West 28<sup>th</sup> Street project, even though the developer raised concerns that TRV had mostly performed smaller residential projects.

### Kickbacks

Date Range	Payee	Amount
12/1/16 – 1/10/20	DVA	\$316,000
12/1/17 – 12/31/17	Dora	\$10,000
3/1/15 – 8/31/17	Prime Designs and Prime Management	\$389,325
10/1/18 – 12/31/18	Master Masonry	\$40,000
<b>3/1/15 – 12/31/19</b>	<b>TOTAL</b>	<b>\$755,325</b>

### Distribution

Date Range	Payor	Payee	Amount
10/1/18 – 10/31/18	Master Masonry	MVJ	<b>\$25,000</b>

### Christopher Chierchio and RCI PLBG Inc.

Christopher Chierchio, 54, was a high-ranking executive of RCI PLBG Inc. (“RCI”), a co-conspirator plumbing and sprinkler subcontractor based in Staten Island, New York. With Baselice’s assistance, RCI obtained over \$13,000,000 in subcontracts and change orders on the Firm’s projects, including 12 East 48<sup>th</sup> Street, 75 Kenmare Street, 189 Bowery, and 250 Fifth Avenue. Together, the co-conspirators stole over **\$300,000** from Developer 1. At Astuto’s and Baselice’s direction, Chierchio caused RCI to pay the following kickbacks, and Baselice and Astuto distributed proceeds for Camuso’s benefit, as follows:

### Kickbacks

Date Range	Payor	Payee	Amount
4/1/19 – 9/30/19	RCI PLBG	Dora	\$175,000

### Distribution

Date Range	Payor	Payee	Amount
5/1/19 – 5/31/19	Dora	Prime Management	\$27,000
6/1/19 – 6/30/19	Prime Management	Cross County	\$27,068
6/1/19 – 6/30/19	Cross County	Gem	\$27,000

Group 2: Co-Conspirator Trade Subcontractors that Paid Kickbacks for the Benefit of Baselice and Individual 1

As follows, two co-conspirator trade subcontractors paid kickbacks to Baselice and another real estate industry executive (“Individual 1”) and stole from the Firm’s clients as follows:

ECI Contracting LLC

Kiearan Keaveney, 51, is the owner of ECI Contracting LLC (“ECI”), a co-conspirator concrete subcontractor based in Mount Vernon, New York. With the assistance of Baselice and Individual 1, ECI obtained over \$12,000,000 in subcontracts and change orders on the Firm’s projects, including 75 Kenmare Street, 106 West 56<sup>th</sup> Street, and 250 Fifth Avenue. Together, the co-conspirators stole over **\$800,000** from Developers 1, 4, and 7. In return, Keaveney caused ECI to pay over \$1,000,000 to DVA, Dora, and an entity owned by Individual 1.

Alba Services Inc.

Andrew Horan, 41, is the owner of Alba Services Inc. (“Alba”), a co-conspirator demolition and asbestos abatement subcontractor based in New York County. Kiearan Ferguson is a managerial employee of Alba. With the assistance of Baselice and Individual 1, Alba obtained over \$2,750,000 in subcontracts and change orders on 250 Fifth Avenue and 189 Bowery. Together, the co-conspirators stole over **\$50,000** from Developer 1. In return, Horan caused Alba to pay over \$200,000 to DVA and an entity owned by Individual 1.

Group 3: Co-Conspirator Trade Subcontractors that Paid Kickbacks for Baselice’s Benefit

A. Ferry Electrical Contractors

Patrick Kennelly, 54, is the principal of A. Ferry Electrical Inc. (“Ferry”), a co-conspirator electrical subcontractor based in New York County. With Baselice’s assistance, Ferry obtained over \$16,000,000 in subcontracts and change orders on the Firm’s projects, including 12 East 48<sup>th</sup> Street, 75 Kenmare Street, 189 Bowery, and 250 Fifth Avenue. Together, the co-conspirators stole over



**\$650,000** from Developer 1. In return, Kennelly and Ferry paid over \$675,000 to Baselice, his family, and DVA.

#### Right Away Electric LLC

Vincent Vennera, 42, is the owner of Right Away Electric LLC (“Right Away”), a co-conspirator electrical subcontractor based in Maspeth, New York. Vincenzo Ferrara, 49, was known to be Vennera’s business partner in Right Away. Yaakov Pfeiffer, 44, known as Hershy Pfeiffer, was a Right Away managerial employee and estimator. With Baselice’s assistance, the co-conspirators obtained over \$7,000,000 in subcontracts and change orders for Right Away on the Firm’s projects, including 396 Broadway, 11 Stone Street, and 106 West 56<sup>th</sup> Street. Together, the co-conspirators stole **\$240,000** from Developer 4. In return, Vennera, Ferrara, and Pfeiffer caused Right Away to pay over \$190,000 in payroll payments to an individual known to be Baselice’s romantic partner (“Individual 2”) for a “no-show” job.

#### MDB Development Corp.

Michael DeBellis, 68, is the owner of MDB Development Corp., a co-conspirator masonry subcontractor based in New York County. Michelle DeBella, 51, is an employee of MDB. With Baselice’s assistance, MDB obtained over \$8,000,000 in subcontracts and change orders on the Firm’s projects, including 12 East 48<sup>th</sup> Street, 75 Kenmare Street, 106 West 56<sup>th</sup> Street, 250 Fifth Avenue, and 396 Broadway. Together, the co-conspirators stole over **\$50,000** from Developer 1. In return, DeBellis caused MDB to pay \$50,000 to DVA.

#### Nordest Services LLC and Northeast Service Interiors LLC

Franco Caliendo, 41, is the owner of Nordest Services LLC (“Nordest”) and Northeast Service Interiors LLC (“Northeast”), co-conspirator demolition and abatement subcontractors based in Maspeth, New York. With Baselice’s assistance, Northeast and Nordest obtained over \$1,000,000 in subcontracts and change orders on the Firm’s projects, including 396 Broadway. Together, the co-

conspirators stole **\$65,000** from Developer 5. In return, Caliendo caused Nordest and Northeast to pay \$75,000 to DVA.

Everest Scaffolding Inc. and Upright Hoisting Inc.

Christopher Downes, 57, owns Everest Scaffolding Inc. (“Everest”) and Upright Hoisting Inc. (“Upright”), co-conspirator scaffolding and hoist subcontractors based in Bronx County. With Baselice’s assistance, Everest and Upright obtained over \$4,000,000 in subcontracts and change orders on the Firm’s projects, including 12 East 48<sup>th</sup> Street, 75 Kenmare Street, 101 West 28<sup>th</sup> Street, 106 West 56<sup>th</sup> Street, and 250 Fifth Avenue. Together, the co-conspirators stole **\$10,000** from Developer 4. In return, Downes caused Everest and Upright to pay \$305,000 to DVA and Concrecel for Baselice’s benefit.

Big Apple Designers Inc.

Solomon Feder<sup>5</sup>, 36, is the owner of Big Apple Designers Inc. (“Big Apple”), a co-conspirator carpentry and drywall subcontractor based in Brooklyn, New York. Yakov Wagschal, 40, was a Big Apple employee. Yaakov “Hershy” Pfeiffer and Vincenzo Ferrara relayed directions from Baselice to Feder to raise Big Apple’s bids. With Baselice’s assistance, the co-conspirators obtained over \$7,000,000 in subcontracts and change orders for Big Apple on the Firm’s projects, including 250 Fifth Avenue. Together, the co-conspirators stole **\$660,000** from Developer 1.

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<sup>5</sup> Although no evidence was found of Big Apple’s kickback payments, Feder is currently under indictment in New York County for crimes related to the use of check cashers to operate his business.