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**FORMER HOSPITAL CEO FOUND GUILTY ON MULTIPLE COUNTS
IN MANHATTAN FEDERAL COURT FOR PARTICIPATING IN BRIBERY
SCHEME INVOLVING THREE MEMBERS OF THE NEW YORK STATE
LEGISLATURE**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that DAVID ROSEN, the former CEO of MediSys Health Network, was found guilty in Manhattan federal court for participating in a scheme to bribe New York State Senator CARL KRUGER, New York State Assemblyman WILLIAM BOYLAND, JR., and former New York State Assemblyman Anthony Seminerio with hundreds of thousands of dollars in exchange for their official acts. ROSEN was convicted after a 3-week bench trial before U.S. District Judge JED S. RAKOFF.

Manhattan U.S. Attorney PREET BHARARA said: "If there were any doubt about the pervasive nature of public corruption in Albany, today's multi-count conviction of David Rosen should put it to rest once and for all. While this verdict is a very sad commentary on the state of affairs in Albany, it also should send a clear message that we will pursue those who violate the public trust and hold them to account."

According to the Superseding Indictment filed in Manhattan federal court, other court documents, and statements made during trial:

ROSEN was convicted of participating in a scheme to bribe KRUGER, BOYLAND, and Seminerio in exchange for their official acts as New York State legislators. KRUGER has served as a member of the New York State Senate since 1994, representing Bergen Beach, Flatlands, Mill Basin, and other communities in the 27th Senate District in Brooklyn. BOYLAND has served as a member of the New York State Assembly since 2003, representing the 55th Assembly District in Brooklyn. Seminerio served as a member of the New York State Assembly from 1978 to June 2009, representing the 38th Assembly District in Queens.

In 2008, ROSEN attempted to bribe KRUGER in connection with KRUGER's efforts to provide official assistance to MediSys,

including steering over \$400,000 in New York State funds to MediSys and helping MediSys in its efforts to acquire the Caritas Hospitals in Queens, New York. To that end, ROSEN caused Brookdale Hospital, a member of the MediSys health network, to enter into a contract with Compassionate Care Hospice, knowing that KRUGER had an interest in the hospice contract. KRUGER's interest was based on an arrangement between Compassionate Care Hospice and Adex Management, Inc. ("Adex"), a marketing/consulting firm that brokered relationships in the healthcare industry, whereby Adex was paid for helping to secure business for the hospice provider. KRUGER was to receive the benefit of the money that Compassionate Care paid to Adex by passing it through a shell company controlled by a close associate. The contractual negotiation between Brookdale Hospital and the hospice care provider appears to have broken down when Seminerio was arrested.

Between 1999 and 2008, ROSEN caused MediSys or its affiliates to make over \$400,000 in payments to Seminerio through a sham consulting company. In exchange, Seminerio advocated on his behalf with New York State agencies concerning the discharge of a \$19 million loan in 2006. He also co-sponsored legislation to provide a secured financing option to MediSys in 2006, and like KRUGER, deliberated with New York State agency personnel on behalf of MediSys in connection with the acquisition of the Caritas Hospitals.

Between 2003 and 2008, ROSEN also caused MediSys to make corrupt payments to BOYLAND through a no-show consulting job that paid him approximately \$35,000 a year. In exchange for the 2008 from MediSys, he took official action to benefit the company, including requesting that the Speaker of the Assembly award millions of dollars to Brookdale Hospital.

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ROSEN, 63, of Westchester County, was found guilty of two counts of honest services fraud in connection with his efforts to bribe KRUGER, BOYLAND, and Seminerio. He was also convicted of three additional counts -- one count of honest services fraud conspiracy (with BOYLAND), and two counts of conspiracy to commit bribery and to violate the Travel Act. ROSEN faces a maximum of 70 years in prison. He also faces, on \$250,000, or twice the gain or loss from the offense.

Seminerio pled guilty to one count of honest services

mail fraud and was sentenced in February 2010 to six years in prison. He passed away while his case was on direct appeal and the cause of action against him was abated.

Charges against KRUGER and BOYLAND remain pending and are merely accusations. They are presumed innocent unless and until proven guilty.

Mr. BHARARA praised the investigative work of the FBI.

The case is being handled by the Office's Public Corruption Unit. Assistant U.S. Attorneys GLEN G. MCGORTY, WILLIAM HARRINGTON, MICHAEL BOSWORTH and KAN NAWADAY are in charge of the prosecution.

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