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**KLIONSKY SCRAP COMPANY AND ITS PRESENT AND FORMER OWNERS
ACCUSED OF MEGALARCHENY FROM GOULDS PUMPS**

**OCTF ALSO BRINGS CIVIL ACTION SEEKING MORE THAN \$1 MILLION
AND FORFEITURE OF KLIONSKY SCRAP COMPANY**

Ronald Goldstock, the Director of the New York State Organized Crime Task Force (OCTF), announced today that a Seneca County Grand Jury has indicted the present owners and the former owner of a Seneca Falls scrap metal company, and the corporation itself, for conspiracy, grand larceny and criminal possession of stolen property in connection with the theft of brass from Goulds Pumps, Inc. ("Goulds"). Joining Mr. Goldstock in the announcement was Thomas Constantine, the Superintendent of the New York State Police.

Accused in the eleven count indictment are Frederick Kerr, Geoffrey Platt, Hymen F. Klionsky, and Klionsky Scrap & Metal, Inc. ("Klionsky, Inc."). Platt, 41, of 30 Alden Avenue, Auburn, is the President of Klionsky, Inc., while Kerr, 51, of 1 Perry Street, Auburn, serves as its Vice-President. Hymen F. Klionsky, 71, of 20 Leland Drive, Seneca Falls, owned the company which bears his name until 1987 when he sold it to Kerr and Platt. Klionsky is presently a county political party chairman.

In a related development, Mr. Goldstock announced the contemporaneous filing of a civil action brought by OCTF against the four defendants seeking the forfeiture of the proceeds of the thefts and of any property purchased with such illegal proceeds. The suit, which was brought under the provisions of Article 13-A, the recently amended civil forfeiture statute, also requests that Klionsky, Inc., itself be forfeited to the State, charging that the scrap metal company was the instrumentality used by Hymen F. Klionsky and Kerr and Platt allegedly to commit the crimes of which they are accused in the indictment. OCTF's suit asks for a judgment against Hymen F. Klionsky, Frederick Kerr, Geoffrey Platt and Klionsky, Inc. of at least \$616,000.

According to the indictment, as far back as 1976 and until he sold his business eleven years later, the defendant Hymen F. Klionsky hired Goulds' employees to steal brass in the form of gates and risers and set it aside for pickup by Klionsky and the corporation.¹ Klionsky also allegedly directed employees of Klionsky, Inc. to remove brass shavings belonging to Goulds which the pump company had contracted with Klionsky, Inc. to transport from its water treatment plant to its foundry. Both forms of stolen brass were allegedly stored at the premises of Klionsky, Inc., until the allegedly stolen brass was periodically sold to companies in Syracuse and Buffalo, New York.

When Klionsky, Inc. was sold to Kerr and Platt in October of 1987, the new owners stepped into the shoes of Hymen F. Klionsky and allegedly continued the larceny scheme, which was brought to a close only when State and local police executed a search warrant on July 12, 1990, and discovered brass allegedly stolen from Goulds. Kerr and Platt were arrested at that time, and later indicted, for the possession of brass shavings stolen from Goulds. The indictment announced today supercedes that earlier indictment.

The indictment charges Hymen F. Klionsky and Kerr and Platt, each during their respective periods of ownership of Klionsky, Inc., with having stolen and criminally possessed brass belonging to Goulds, in the form of shavings and gates and risers, with a value in excess of \$50,000. In addition, the indictment accuses Klionsky, Inc. and its owners Kerr and Platt with having knowingly possessed nickel, in the form of ingots and gates and risers, stolen from Goulds. According to the indictment, the value of the stolen nickel possessed by Kerr and Platt, and their company, exceeded three thousand dollars.

In his remarks following the filing of the forfeiture action and the unsealing this morning of the indictment by Seneca County Court Judge Daniel A. DePasquale at the defendants' arraignment, Mr. Goldstock said,

Sophisticated schemes of fraud and larceny can have a devastating effect on the commercial well-being of our communities and on the social structures which that commerce helps support. The losses suffered through massive theft are felt well beyond the immediate victim. Our entire economy suffers when funds are illegally siphoned from the stream of commerce. The Organized Crime Task Force is committed to working closely with the State Police, and other dedicated government agencies, in implementing a strategy to control commercial fraud by employing, as we have done here by bringing parallel criminal and civil actions, a variety of remedies.

¹ Gates and risers are the extraneous appendages to which the pump parts are attached during the molding process. They are akin to the straight plastic pieces to which the parts of a plastic model are attached when the hobbyist first opens the model kit. Brass gates and risers are remelted at the foundry and reused to make new brass pump parts.

Mr. Goldstock expressed his gratitude to Superintendent Constantine for the substantial assistance to the investigation provided by Troop E in Canandaigua, headed by Major Salvatore Valvo. Mr. Goldstock also thanked Seneca County District Attorney Dennis Bender and Seneca Falls Police Chief Frederick Capozzi for their significant cooperation.

Commenting on the investigation, Superintendent Constantine said,

This is another illustration of the results which can be achieved when resources of state and local agencies come together to undertake lengthy and complicated investigations. I find it particularly gratifying that an attempt will be made, through civil litigation, to have the accused forfeit their illegal proceeds.

Hymen F. Klionsky, Frederick Kerr and Geoffrey Platt each face a maximum state prison sentence of up to fifteen years if convicted of those counts involving the theft or criminal possession of brass with a value in excess of \$50,000. If they are convicted of the Conspiracy count, each of the men face a maximum prison term of up to four additional years in prison. In addition, if convicted, each of the defendants are subject to fines equal to double the amount of their gain from the alleged commission of the offenses with which they are charged. Thus, according to the information contained in the verified complaint filed in connection with the forfeiture suit, Kerr and Platt, if convicted of all charges, could face fines in excess of \$700,000. Hymen F. Klionsky could be fined more than \$150,000. If convicted of the counts of which it is accused, Klionsky, Inc. could be subject to pay a fine in excess of \$750,000.

The case was presented to the Seneca County Grand Jury by Task Force Attorney John E. Rogowski.