



**NEW YORK CITY COUNCIL  
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS**

**TESTIMONY OF MARK G. PETERS  
COMMISSIONER, NEW YORK CITY DEPARTMENT OF INVESTIGATION**

**CONCERNING THE FISCAL YEAR 2018 PRELIMINARY BUDGET,  
MAYOR'S FISCAL YEAR 2017 PRELIMINARY MANAGEMENT REPORT  
AND AGENCY OVERSIGHT HEARINGS**

**MARCH 9, 2017**

Good afternoon Chair Gentile and members of the Committee on Oversight and Investigations. I am Mark G. Peters, Commissioner of the Department of Investigation (“DOI”), and I am joined by Deputy Commissioner for Operations and Chief Information Officer Ganesh Ramratan. I thank you once again for the opportunity to address the Committee concerning DOI’s Preliminary Budget for Fiscal Year 2018. I also welcome this opportunity to update the Committee on several key areas of focus for the upcoming year, and touch on certain recent successful investigations we have announced.

First, the budget numbers: DOI's preliminary expense budget for Fiscal Year 2017 is **\$58.4** million consisting of **\$31.9** million that supports approximately **422** full-time staff positions, and **\$26.5** million for Other Than Personal Services, such as supplies, equipment and space. Included in the **\$31.9** million for Personal Services is **\$5.8** million Intra-City funding, such as the funding for Memoranda of Understanding with **nine** City agencies that support **94** positions. In addition to the staff comprised in the agency’s budget, there are an additional **279** headcount staff members who work for us through various arrangements with other City agencies, including at the Office of the Special Commissioner of Investigation for Schools and the Office of the Inspector General for NYCHA. This brings the total staff headcount who report through DOI’s chain of command to slightly more than 700.

We have deployed, and will continue to deploy, these staff toward our comprehensive strategy of systemic investigations, high impact arrests, preventative controls and operational reforms, in a manner designed to ensure we leverage our

resources effectively. Further, we will continue to assist the agencies we oversee by sharing what we learn about the vulnerabilities we identify during our investigations and through the issuance of comprehensive policy and procedure recommendations. And we continue to follow-up and monitor agency adoption of those recommendations long after our initial investigations have come to a close. Finally, through our public reports, we empower the general public, and governing bodies such as this Council and City Hall, by enhancing transparency and prompting reforms that strengthen public policy. And our high impact arrests and emphasis on complex investigations means we can shut down the most costly and damaging fraud schemes by attacking corruption vulnerabilities at their roots. Through this strategy, we continue to see success in enforcement areas across the board. In 2016, DOI investigations:

- uncovered bribery, fraud, theft and life-threatening conditions within the construction industry, demonstrating what DOI has shown again and again, that safety and integrity are directly linked;
- exposed serious problems related to the City's Administration for Children's Services ("ACS");
- revealed concerns with NYPD compliance with rules governing investigations of political activity; and
- led to a total of another 23 arrests connected with Department of Correction ("DOC") investigations, including 13 staff who worked at DOC facilities, as we continued our crackdown on illegal conduct at Rikers Island.

Allow me to give you concrete examples in each of these four areas. As to construction fraud and safety, just this January, our robust construction integrity squad arrested 37 defendants, including employees from the National Grid Gas and Electricity Company and landlords, who were charged with enterprise corruption and other offenses for operating a shadow utility company that illegally installed gas meters. The investigation also showed dangerous conditions, including the use of inferior cheap plastic flex piping, that were similar to those present at the fatal gas explosions on the Lower East Side in Manhattan.

In our oversight of ACS, we've issued two recent critical reports. First, in May of 2016, we released a report that revealed investigatory failures and deficient casework, lax oversight of foster care providers, and a lack of data collection by ACS, making it impossible to identify and track problems, raising serious concerns over whether ACS and its provider agencies missed multiple opportunities to effectively intervene before a child died or nearly died.

Then earlier this year, DOI again exposed some of those same deficiencies, such as sub-par casework, in ACS's handling of the Jaden Jordan case. In that investigation, we determined that ACS workers had access to databases that would have provided the correct address for authorities to find Jaden on the very date they first received the allegations of abuse and neglect, rather than two days later, after he had been beaten into a coma. In addition, DOI found that the Emergency Children's Services ("ECS") unit, the unit that handles cases during nights, weekends and holidays, lacked proper staffing and training.

I am also proud to report on the work our Office of the Inspector General for the NYPD (OIG-NYPD). In the last year, DOI's NYPD IG investigations included two of particular importance: NYPD compliance with the rules governing investigations into political activity and an analysis of all responses to people in mental crisis. Indeed, as to the first of these, a federal court judge relied in substantial part on this report when assessing the fairness of a class action settlement regarding alleged NYPD surveillance of Muslims. As to the second, after our report the NYPD has agreed to enact changes to protocols to better respond to New Yorkers in mental distress.

Finally, we continue our robust oversight of the City's Correction Department, in particular Rikers Island. This ongoing investigation has already led to the arrest of more than three dozen Correction Officers and other staff on contraband smuggling, assault and other charges, and the improved screening of staff as they enter jail facilities. In 2016, DOI saw positive results from its investigations, including the conviction of eight Correction Officers and supervisors in a gang assault and cover up; the indictment of 17 -- including two Correction Officers, a Correction Cook and six inmates -- in a conspiracy to bring scalpels, narcotics and other contraband into the City's jails in exchange for thousands of dollars; and guilty pleas by a Correction Captain and two Correction Officers to falsifying records in connection with covering up the beating of an inmate. Our ongoing investigations into the issue of sexual assault at Rikers has already yielded a first arrest.

In terms of numbers and metrics overall, I continue to caution against too much reliance on a statistic. That said, I can report that in Calendar Year 2016, DOI had **694** arrests stemming from more than **1,800** investigations, and over **800** referrals for

criminal prosecution. This represents an increase of **22%** for arrests year-on-year, and an increase of **14%** for criminal referrals year-on-year.

I'd also like to update this Committee on the Office of the Special Commissioner of Investigation for the New York City School District ("SCI"), ably led since July 2002 by former New York City Police Commissioner and former New York State Commissioner of the Division of Criminal Justice, Richard J. Condon.

In 2016, SCI received a total of **6,336** complaints and opened **772** investigations, including **218** involving an allegation of sexual misconduct.

To sum up: our strategy remains ambitious and comprehensive. The current preliminary budget is reflective of current budget realities, and I understand it can be challenging to allocate resources in times of projected budget constraint. As our results continue to show, investing in DOI means greater efficiency, fairness and safety for all New Yorkers. Your continued support in meeting the critical needs of the agency is vital not only to our mission, but to the mission of New York City government.

At this time, I would be happy to take your questions.