



The City of New York
Department of Investigation

MARK G. PETERS
COMMISSIONER

80 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

Release #06-2018
nyc.gov/doi

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 1, 2018

CONTACT: DIANE STRUZZI
NICOLE TURSO

DOI Commissioner Mark G. Peters' Remarks on Fraud Arrests Involving Certified Asbestos Investigators

Today, we announce the culmination of a widespread investigation into fraudulent asbestos investigators who repeatedly falsified inspection reports throughout the City and allowed potential exposure to one of the most deadly construction substances around. As a result of this investigation, we have arrested 17 private Certified Asbestos Investigators.

Each defendant acted separately, yet the goal was the same: Circumvent the City's laws regarding asbestos inspections and fabricate inspection documents filed with the City. Ultimately, it meant that construction and demolition occurred without a clear record of whether this dangerous substance was present and whether proper abatement was conducted.

Let me introduce the partners who worked hand-in-hand with DOI on this investigation:

- Manhattan District Attorney Cyrus Vance, Jr., who has, for years, been a leader and our good partner in rooting out dangerous construction fraud.
- Queens Executive Assistant District Attorney for Investigations Peter Crusco, whose office we have worked with closely many times on numerous fraud and corruption schemes.
- Richmond County District Attorney Michael McMahon, who has been a terrific partner on several ventures, and
- Deputy Commissioner of the City Department of Environmental Protection Angela Licata. DEP worked closely with us on this matter and has promptly and enthusiastically undertaken changes to curb this problem going forward.

This investigation demonstrated the value of the strong partnerships you see here today, the tangible results that come from them, and the positive impact on this City.

When disturbed during the construction process, asbestos can lead to serious health risks. So, the jobs of the Certified Asbestos Investigators charged today are extremely important, both in detecting the presence of asbestos and in ensuring that property owners about to start construction, do the right thing, and properly remediate any asbestos hazards. These asbestos investigators, who are licensed by the City, are an essential safety check in the City's construction process, submitting an asbestos assessment record, or ACP-5, that is required to obtain a construction permit from the City Department of Buildings.

These Asbestos Investigators effectively determine whether there will be a delay to construction, whether there will be additional costs, due to asbestos abatement. They are required to physically inspect a site, take samples, provide those samples for lab testing, and submit to DEP an ACP-5 indicating whether those tests found asbestos. The absence of asbestos means the property owner can obtain a construction permit. The presence of asbestos starts a costly abatement process.

So, the roles these asbestos investigators play are integral to this City's construction process. Let me be clear, fabricating these records undermines the integrity of that process and creates very real safety hazards potentially exposing unsuspecting construction workers and others near the site to life-threatening asbestos fibers.

The array of charged conduct includes: Certified Asbestos Investigators

- who conducted no inspections,
- who concealed that asbestos had been found,
- who said they conducted an inspection even though records indicated they were out of state or out of the country.

We are also issuing a report today that details the findings of this investigation, including reforms that DEP has already begun to implement. Those reforms include DEP strengthening the vetting of new and renewing candidates for a Certified Asbestos Investigator license; prohibiting these investigators from submitting material samples to laboratories where they have an interest in the lab; and establishing a more robust audit regimen that reviews authenticity of the records these investigators must maintain and submit.

DEP has also begun the process to revoke the licenses of each of these defendants.

This investigation demonstrates the power of the partnerships you see here, today - their value, on the ground, in combatting corruption, fraud and dangerous practices. These kinds of partnerships get results. Through this investigation we are again sending a clear message to the construction industry, whether it be site safety managers, or licensed plumbers, or now asbestos investigators: we will find those individuals who fabricate the facts, falsify the forms, and undermine safety. We will prosecute them, we will revoke their professional credentials. We will do what is necessary to protect the City from illegal construction conduct that puts people in danger.

The story of this investigation began in 2015, when DEP alerted DOI to problems it was seeing in connection with asbestos inspections, specifically DEP suspected that asbestos investigators were submitting falsified ACP-5s. As DEP and DOI reviewed the ACP-5s, we found a problem: the lack of a digital time stamp that would have confirmed when inspections were conducted. DOI and DEP worked together to establish that digital time stamp on the ACP-5s, a reform that allowed us to gather essential timing for many of the criminal cases announced today.

That is good government. That is a case in point why reforms are essential. The partnership that DEP has provided on this work should set an example for all City agencies. I want to turn to my colleagues here today so they can discuss the findings from their jurisdictions.

Before I turn this over to our partners, I want to take a moment to thank the committed team that brought this investigation together: Special Investigators Kristen Dufour and Adam Ondira, Inspector General Gregory Cho, Associate Commissioner James Flaherty, Deputy Commissioner/Chief of Investigations Susan Lambiase and First Deputy Commissioner Lesley Brovner.

Now, let me introduce Manhattan District Attorney Cyrus Vance Jr., whose office has been a dedicated and tireless partner to DOI on so many of our construction-related investigations, helping us root out fraud in construction and strengthen safety on construction sites in this City. In 2016, as we worked an array of construction-related fraud cases together, we began looking at wrongdoing involving asbestos inspections and how that undercuts the entire construction process. Bringing in DEP, we were able to analysis data sets, inspections records, travel records, and cell phone cite records. For example, we found one inspector who was out of the country when he claimed to be conducting an asbestos investigation in New York City. That examination led to the nine Certified Asbestos Investigators charged today on a range of illegal conduct. DA Vance:

Queens Executive Assistant District Attorney for Investigations Peter Crusco worked with us on undercover sting operations that exposed seven Certified Asbestos Investigators who ignored the requirement to physically inspect a site. In one case, a CAI even indicated he wrote about 50 ACP-5 forms for sites he never visited. Despite the failure to do their jobs, each of these CAIs submitted an ACP-5 to the City indicating an on-site inspection had been conducted. Executive Assistant District Attorney Crusco:

Richmond County District Attorney Michael McMahon has worked with DOI on asbestos-related investigations previously. Here, they partnered with us again in a case where the facts showed that a Certified Asbestos Investigator was in Nigeria when he said he was inspecting a property on Staten Island. DA McMahon:

Before we close, I want to acknowledge Deputy Commissioner of the City Department of Environmental Protection Angela Licata, whose Director of Asbestos Enforcement, Carlstien Lutchmedial, was a full partner on these investigations, shared their expertise in this area, guiding us on complex requirements in the area of asbestos investigations and working side-by-side with DOI and prosecutors to expose how these Certified Asbestos Investigators were gaming the system.

Thank you. We'll take questions.

Indictments and criminal complaints are accusations. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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