



**NEW YORK CITY COUNCIL
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS
JOINTLY WITH THE COMMITTEE ON FINANCE**

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

CONCERNING THE EXECUTIVE BUDGET FOR FISCAL YEAR 2015

MAY 22, 2014

Good afternoon Chairperson Gentile and members of the Committee on Oversight and Investigations and Chairperson Ferreras and members of the Committee on Finance. I am pleased to be back before the City Council to discuss the Mayor's Executive Budget Proposal for the Department of Investigation ("DOI") for Fiscal Year 2015. After years of budget cuts to DOI, this Executive Budget restores **63** positions to the agency, the majority of which will create the new Office of Inspector General for the NYPD, with the remainder, about 20 positions, that will allow DOI to strengthen its oversight of City agencies and entities. This demonstrates a significant commitment by the Mayor and his budget team to the elimination of corruption and government misconduct.

This additional staff means we can better fulfill our comprehensive mission as the law enforcement agency that safeguards New York City from corruption, fraud, waste, and abuse. DOI is mandated not only to investigate allegations of corruption but also "criminal activity, conflicts of interest, unethical conduct, misconduct [or] incompetence." The additional staff members we will be able to hire are essential for DOI to carry out its duties and enhance its broad approach to corruption fighting. In the end, New Yorkers are the ultimate beneficiaries.

In addition to reviewing with you elements of the Budget Proposal, I would like to take this opportunity to update you on three specific topics:

First: our progress on building out the new NYPD Office of Inspector General,

Second: the importance of DOI's independent, third-party review, and

Third: the agency's increased focus on data mapping.

As I announced during a press conference on March 28, Phil Eure will be heading the new NYPD Office of Inspector General. He has just finished up in his role as the

Executive Director of Washington D.C.'s Office of Police Complaints and will begin his role here in New York City next week on May 27. Hiring a first-rate team to carry out the mission of this independent police oversight office will be his priority over the next several months. We will add 43 staff members as provided for in the Executive Budget, including investigators, data analysts, lawyers, community outreach personnel, and support staff. While we expect to make key hires relatively quickly, I do want to emphasize that it will take several months to build a firm foundation for this office. I ask you and the public to partner with us during this critical phase and understand that devoting our attention to establishing a dedicated, knowledgeable team is imperative to ensuring the office is a success and makes a positive impact. Until we do this, we cannot realize the full promise of the new law.

One of the key elements of Local Law 70 is that it empowers the Commissioner of DOI to broadly look at the Police Department's conduct where it comes into contact with the public. The purpose: to strengthen accountability and instill greater confidence. This type of third-party examination by investigators who understand law enforcement and police oversight is crucial to independent findings. In fact, this macro view of an agency, looking at an agency's policies and practices from the outside to see how it delivers its services, is a strategy DOI is employing across the board. As the City's anti-corruption agency, DOI is uniquely situated for this type of review. DOI's Inspectors General and investigators have a deep expertise in the agencies they oversee, access to City data and documents, and the independence to spot problems and come up with tangible, workable resolutions that improve City government and its service to New Yorkers.

DOI routinely investigates allegations of fraud and corruption, and makes arrests to stop corruption in its tracks. We will continue to press this core function. Indeed, we are developing the means to more efficiently find corrupt conduct and bad practices, namely, through data mapping. Data mapping involves the use and cross-comparison of multiple data sets to identify patterns that raise red flags that could not be seen by on the ground investigation. This type of systemic review is a compelling way for us to effect broad scale change. Data mapping encourages reform in a comprehensive way, allowing us to root out vulnerabilities and discourage corruption, fraud and abuse before it happens.

We have, in the past, and on a limited scale, already used these techniques to root out pension, unemployment and housing fraud. Today, technology allows us to expand our ability to leverage this technique, better target our resources, and increase our success rate in finding corrupt actors and referring them for prosecution or finding and remedying abusive or bad practices.

These efforts will enhance DOI's already significant impact on this City. In fact, in the two short months since I was last before the City Council, DOI has been able to move on a number of important investigations, including:

- A preliminary investigation we conducted regarding the response time of emergency personnel following a tragic fire in the Rockaways where two young children died. While this is an active and open investigation, we were able to make recommendations to the Mayor on immediate steps that had to be taken to protect the public's safety. DOI's investigation is continuing and when completed we will issue a public report of our findings.

- We continue to work effectively with our partner law enforcement agencies on a number of investigations, and recently stood alongside the State Attorney General on a significant arrest alleging misuse of public funds.
- And just this week, the Mayor asked that DOI conduct an independent investigation of the development of the City's new 911 system, an investigation that will conduct a systemic review and will examine a number of issues, including why there have been numerous delays in its implementation, why the project is over budget and why it is not slated to provide the requisite services.

I thank this Administration and the City Council for listening to DOI's needs and embracing our mission by providing, in this Executive Budget, a nearly \$4.8 million increase from the previous year's budget. With the additional 63 staff members included in the Fiscal Year 2015 Budget, DOI will have approximately 289 City-funded lines, with another roughly 180 or so staff, who are not supported by DOI's budget, and who work for DOI through various arrangements with other City agencies, for a total of approximately 470 staff. These additional lines will allow DOI to carry out its mission more effectively, and support the agency's proactive work to find corruption before it advances.

DOI's goals remain constant: safeguard taxpayer funds, root out conflicts of interest and fraud against the City, and ensure that New Yorkers are best served by their City government. Each of these support good governance. And, good governance is the core of a strong City.

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