



The City of New York
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Release #03-2011
nyc.gov/html/doi

**FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 11, 2011**

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**\$26 MILLION SEIZED IN DOI'S CITYTIME INVESTIGATION
--\$31 million recovered in three separate cases--**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement today on the seizure of \$26 million from dozens of bank accounts associated with the six defendants charged in the \$80 million CityTime kickback and money laundering scheme. DOI investigators documented the flow of money in and out of the relevant accounts to identify the funds tainted by the scheme. This seizure is in addition to the more than \$1 million that has already been recovered from safe-deposit boxes connected to the defendants. The seized funds will be put in an escrow account until the completion of the investigation. DOI worked with the office of Preet Bharara, United States Attorney for the Southern District of New York, in freezing the bank accounts and seizing the funds.

This multi-million-dollar seizure follows the announcement last Wednesday that a DOI analysis resulted in the City recouping \$5 million from Bovis Lend Lease LMB, Inc. to compensate the City for overcharges on construction projects. DOI's examination found that Bovis paid some foremen overtime and extra pay for which they had not worked, passing those expenses along to the City. Additionally, last month Schiavone Construction Company, LLC paid DOI \$539,760 for the cost of its investigation as part of a multi-agency probe that found the construction company committed fraud in carrying out various public works contracts, including large-scale capital construction projects in the City. Schiavone paid the funds in connection with a non-prosecution agreement with the United States Attorney's Office for the Eastern District of New York. Schiavone also forfeited \$20 million as part of that agreement.

DOI Commissioner Rose Gill Hearn said, "These financial recoveries show that DOI determinedly pursues and recoups stolen and improperly obtained taxpayer dollars. As the City's anti-corruption agency, DOI not only exposes the fraud but successfully finds and secures funds drained from the City's coffers. Investigators persistently followed the money trail and delivered the important message that City funds are not an easy target."

DOI Commissioner Gill Hearn thanked Preet Bharara, U.S. Attorney for the Southern District of New York, Loretta E. Lynch, U.S. Attorney for the Eastern District of New York, and their offices, and the other law enforcement and City agencies that worked on these investigations.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. 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.

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