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DOI INVESTIGATION LEADS TO ARREST OF TWO CITY HRA EMPLOYEES ON BRIBERY CHARGES
--An unlicensed plumbing contractor pleaded guilty earlier this year with participating in the scheme--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today that its investigation into contract steering allegations at the City Human Resources Administration ("HRA") resulted in the arrests of two HRA employees and a private plumbing contractor in a bribery scheme involving boiler replacements and repairs for seven low-income, homebound HRA clients – four in Queens, two in Brooklyn, and one in the Bronx. An HRA caseworker and supervisor who worked in the same unit were arrested today and charged with steering those jobs to a Laurelton-based plumbing contractor in return for cash payoffs of between \$200 and \$250. The investigation found the plumbing contractor, RODCLIFF LEVY, who replaced and repaired the boilers, was unlicensed. LEVY has previously pleaded guilty to bribery and false filing charges. The boilers were replaced and repaired through the Home Energy Assistance Program ("HEAP"), a federally-funded program administered by HRA, which assists low-income individuals pay their energy heating costs. The office of New York County District Attorney Cyrus R. Vance, Jr., is prosecuting the case.

As a result of this investigation and DOI's recommendation, HRA now confirms with the City Department of Buildings ("DOB") that plumbing contractors awarded bids in the HEAP program are licensed.

DOI Commissioner Rose Gill Hearn said, "These City employees were entrusted with assisting clients in need. Instead, they are charged with selling access to the clients they were supposed to help. HRA reported to DOI concerns about possible contract collusion, and as a result investigators successfully uncovered and halted this bribery scheme. DOI also worked with HRA to identify and stop unlicensed plumbers from obtaining contracts in the future. Thanks to our partnerships with the Manhattan District Attorney and our fellow City agencies these crimes were exposed and stopped and corruption gaps were remedied."

New York County District Attorney Cyrus R. Vance, Jr., said, "On the hottest day of the year so far, it's incongruous to think about New Yorkers suffering through the long, cold months of winter. But it happens every year, and these defendants are accused of rigging a program designed to help low-income New Yorkers with costly heating bills and repairs. We need to maintain the integrity of our social service programs, and keep them safe from corruption. We thank the New York City Department of Investigation and Human Resources Administration for their work in this joint investigation."

HRA Commissioner Robert Doar said, "HRA staff discovered this irregularity and immediately brought it to the attention of the Department of Investigation. The vast majority of HRA employees honestly and appropriately deliver needed assistance to low income New Yorkers but when we discover corrupt behavior we have a responsibility to pursue it aggressively with our partners in law enforcement."

Arrested today were:

- DARYL JONES, 53, of Rosedale, N.Y., an HRA caseworker, was charged by indictment with six counts of Bribe Receiving in the Third Degree, a class D felony. Upon conviction, a class D felony is punishable by up to seven years in prison. JONES, has been employed at HRA since July 1986, and receives an annual base salary of approximately \$40,428.

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- ALVARO BLAKE, 54, of Manhattan, N.Y., an HRA supervisor, was charged with one count of Bribe Receiving in the Third Degree, a class D felony, and one count of Receiving Unlawful Gratuities, a class A misdemeanor. Upon conviction, a class D felony is punishable by up to seven years in prison and a class A misdemeanor by up to a year's incarceration. BLAKE has been employed at HRA since February 1990 and receives an annual base salary of approximately \$58,307.

Both JONES and BLAKE have been suspended from HRA.

LEVY, 44, of Baldwin Woods, N.Y., operated Cliff Piping & Heating and Drumond Heating and Plumbing Inc., and was arrested in May 2011 on charges of Bribery in the Third Degree, a class D felony, and Offering a False Instrument in the Second Degree, a class A misdemeanor. He pleaded guilty in June 2011 to the same charges and his next court appearance is in September 2011.

According to the charges and DOI's investigation, JONES processed applications at HRA for individuals who were in need of emergency boiler replacements and repairs under the federally-funded HEAP program. The investigation found that between November 2007 and March 2009, JONES accepted bribes from LEVY and in return gave the contractor contact information for six HRA clients who needed their boilers repaired or replaced, and other information, which allowed LEVY to submit winning bids for the jobs. The investigation also found that in December 2006, BLAKE, JONES's supervisor, accepted a bribe from LEVY and in return gave the contractor HRA client information so LEVY could win the bid to repair a boiler. In addition, the investigation found that BLAKE was aware that LEVY's company was receiving a disproportionate number of boiler replacement contracts but did not report the information to anyone in exchange for receiving money from LEVY.

HRA administers HEAP locally for New York City and eligibility is determined by the homeowner's household income and size, based on current New York State income guidelines. The HRA unit where the defendants worked is responsible for assisting applicants who are unable to apply in person due to medical needs. The HEAP guidelines for heating system repairs/replacements require that homeowners obtain two written estimates from licensed vendors chosen by the homeowners and the vendor must provide an estimate indicating the nature of the problem and the cost of the emergency service. HRA's HEAP office then selects one of the vendors, but HRA employees are prohibited from recommending vendors to homeowners. At the completion of a boiler installation or repair, the vendor submits an invoice to HRA indicating the work was completed, and HRA issues payment to the vendor.

Commissioner Gill Hearn thanked New York County District Attorney Cyrus R. Vance, Jr., HRA Commissioner Robert Doar, and DOB Commissioner Robert LiMandri and their staffs for their assistance in this investigation.

The investigation was conducted by DOI's Office of Inspector General for HRA.

Assistant District Attorney Richard Buckheit of the New York County District Attorney's Rackets Bureau is assigned to the prosecution of JONES, BLAKE, and LEVY, under the supervision of Daniel G. Cort, Chief of the District Attorney's Public Integrity Unit.

An indictment and criminal complaint are accusations. Defendants are presumed innocent until proven guilty.

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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