



**U.S. Department of Justice**

*United States Attorney  
Eastern District of New York*

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*271 Cadman Plaza East  
Brooklyn, New York 11201*

**FOR IMMEDIATE RELEASE**

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**PRESS RELEASE**

**NYC DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT  
INSPECTIONS SUPERVISORS AND THREE REAL ESTATE DEVELOPERS  
ARRESTED ON BRIBERY CHARGES**

Federal and New York City law enforcement agents and officers today arrested the Director of Construction Services for the New York City Department of Housing Preservation and Development (HPD) and three others on bribery charges in connection with a widespread scheme to bribe high-ranking HPD officials in return for lucrative construction contracts, and a fifth defendant has been charged with soliciting and receiving illegal kickback payments from a general contractor on an HPD project. Michael Provenzano, HPD's Director of Construction Services, and Luis Adorno, formerly an inspections supervisor in HPD's Department of Architecture and Construction Engineering, as well as real estate developers and contractors William B. Clarke, Panayiotis "Peter" Papanicolaou and Placido Rodriguez, will be arraigned this afternoon on criminal complaints before United States Magistrate Judge Joan M. Azrack, at the U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York.<sup>1</sup>

The arrests were announced by Loretta E. Lynch, United States Attorney for the Eastern District of New York; Janice K. Fedarcyk, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI); Robert Panella, Special Agent-in-Charge for the New York Regional Office, United States Department of Labor's (DOL) Office of Inspector General, Office of Labor Racketeering and Fraud Investigations; Rose Gill Hearn, Commissioner, New York City Department of Investigation (DOI); and Victor W. Lessoff, Acting Special Agent-in-Charge, Internal Revenue Service, Criminal Investigation, New York (IRS).

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<sup>1</sup> The charges contained in the complaints are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

HPD is the largest municipal developer of affordable housing in the United States. As detailed in the complaint against Provenzano, he solicited and received \$10,000 bribes annually over the course of approximately five years from a general contractor engaged in extensive HPD work in return for, among other things, providing HPD inspection reports to the contractor. This allowed the contractor to tailor his HPD labor requisitions and certified payrolls to the inspection reports to avoid being penalized for prevailing wage violations. Adorno allegedly solicited and received a \$100,000 bribe from a general contractor in return for Adorno's support in advocating for the contractor to be awarded HPD construction contracts.

Clarke, an employee of a major real estate development and construction firm with millions of dollars in HPD contracts, is charged with bribery for arranging to pay for \$50,000 in residential renovation costs for the home of a former HPD assistant commissioner. Papanicolaou is charged with bribing the same HPD official by paying for the official's \$12,000 honeymoon vacation in Greece. Finally, Rodriguez is charged with wire fraud conspiracy for demanding and receiving nearly \$300,000 in kickback payments from a general contractor on HPD's Alexander Avenue Cluster affordable housing project in the Bronx.

"These arrests are the result of our continuing pursuit of corruption within the publicly-funded affordable housing sector," stated United States Attorney Lynch. "Instead of fulfilling their charge to create affordable housing for deserving New Yorkers, these defendants looked for ways to line their own pockets. There will be no tolerance for those who choose to enrich themselves at the expense of taxpayers, workers and those seeking affordable housing."

FBI Assistant Director-in-Charge Fedarcyk stated, "The arrests today highlight the FBI's commitment to root out corruption in our government – at any level. The defendants allegedly took bribes from a contractor or provided information on inspections in an effort to pad their own wallets or lifestyle. The FBI will continue to investigate public corruption that violates the trust that the public has in those serving in government."

DOL Special Agent-in-Charge Panella stated, "Today's arrests highlight the alleged scheme that some HPD contractors and developers employed on various affordable housing projects throughout New York City. We will continue to work with our law enforcement partners to vigorously investigate crimes committed by those who aim to cheat workers out of prevailing wages."

DOI Commissioner Gill Hearn stated, "City employees, developers and contractors who trade bribes for business face a rude awakening. They will be called to account in the criminal justice system, where prison terms are among the risks they face for betraying the City's taxpayers and residents. DOI thanks U.S. Attorney Loretta E. Lynch and our federal law enforcement colleagues for their shared determination to protect the integrity of the City's affordable housing programs."

IRS Acting Special Agent-in-Charge Lessoff stated, “IRS-Criminal Investigation is committed to protecting the taxpaying public. We take allegations of violations of the public trust for financial gain – by government officials and by those outside of the government who transact with them – very seriously.”

If convicted, Adorno, Provenzano, Clarke and Papanicolaou each face a maximum of term of imprisonment of 10 years. Rodriguez faces a maximum term of imprisonment of 20 years.

United States Attorney Lynch thanked the United States Department of Housing and Urban Development (HUD) and the New York City Police Department (NYPD) for their cooperation in this case.

The government’s case is being prosecuted by Assistant United States Attorneys Cristina Posa, Anthony Capozzolo and Claire Kedeshian.

**The Defendants:**

MICHAEL PROVENZANO  
Massapequa, New York  
Age: 49

LUIS ADORNO  
Scarsdale, New York  
Age: 48

WILLIAM B. CLARKE  
Glen Head, New York  
Age: 43

PANAYIOTIS “PETER” PAPANICILAOU  
Brooklyn, New York  
Age: 50

PLACIDO RODRIGUEZ  
Fort Lee, New York  
Age: 64