



Department of Investigation

Press Release

Release #006-99

GOVERNMENT CONTRACT ATTORNEY-CONSULTANT PLEADS GUILTY IN \$500,000 THEFT OF PUBLIC MONIES

WEDNESDAY, FEBRUARY 24, 1999 -- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that DARRYL E. GREENE, an attorney who specialized in assisting clients to comply with laws, regulations, and contractual obligations related to the hiring of minority contractors, has pleaded guilty to participating in a mail fraud scheme in which various government and private entities were fraudulently billed \$500,000 in consulting and legal fees. The case was the result of a joint investigation by DOI and the Office of the United States Attorney for the Eastern District of New York.

Appearing yesterday afternoon in United States District Court in Brooklyn before Magistrate Marilyn Dolan Go, GREENE, who was indicted in December 1997, entered a misdemeanor plea of guilty to 18 U.S.C. Section 641, theft of public money, and agreed to make restitution of at least \$100,000 to the clients he defrauded. GREENE is scheduled to appear for sentencing on May 7, 1999, before United States District Court Judge Carol Bagley Amon. He faces up to one year in prison.

GREENE, 58, of 2430 Bayswater Avenue in Far Rockaway, owned and operated two related entities: Darryl E. Greene & Associates, Inc. (DEGA), a management and consulting firm with offices in Manhattan and Queens, and Greene & Flowers, a law firm sharing office space with DEGA. DEGA's clients included public entities -- among them, the New York City Health and Hospitals Corporation (HHC), on major hospital construction projects at Kings County Hospital, Queens Hospital, Elmhurst Hospital, and Harlem Hospital; the New York State Housing & Finance Agency; the New York City School Construction Authority; and the Dormitory Authority of the State of New York -- and private clients, such as the developer hired by the U.S. General Services Administration to oversee the building of the federal office building in Foley Square, Manhattan. Typically, clients executed written contracts with DEGA or Greene & Flowers, pursuant to which the clients agreed to pay rates ranging from \$40 to \$250 per hour for GREENE and his employees time.

According to the original charges filed in the case, GREENE, between January 1988 and March 1994, engaged in various fraudulent billing practices designed to inflate the hours billed to public and private client agencies. Specifically, the indictment charged that GREENE fraudulently billed clients for work he and his employees did not perform, billed several clients for the same hours without advising the clients that the same time was being multiple-billed, and multiple-billed client agencies for weekly staff meetings, which dealt with internal administrative matters and the status of various client projects. In addition, certain clients, such as HHC, had separate DEGA accounts for different capital projects, each of which was billed in some instances for the same time expended by GREENE and his employees. The indictment also charged that GREENE prepared and instructed his employees to prepare invoices and other documents that made it appear that the time expended was only for a particular client's project.

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Commissioner Kuriansky commended United States Attorney Zachary W. Carter and his staff for their skillful handling of the prosecution, and expressed his appreciation to the Postal Inspection Service and the Internal Revenue Service for their assistance during the course of the investigation.

The investigation was conducted by DOI Acting Inspector General Robert Joyce and Deputy Inspector General Stacie Pittell, under the supervision of DOI Assistant Commissioner Steven Pasichow. Assistant United States Attorney Jason Brown handled the prosecution, with the assistance of Assistant United States Attorney Wendy Gerstmann.