



The City of New York
Department of Investigation

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DOI ARRESTS FORMER SUMMER CAMP DIRECTOR FOR THEFT OF CITY FUNDS
- He worked at Coalition for the Homeless summer camps -

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI), announced today the felony arrest of David Morgan, the former Camp Director at the Coalition for the Homeless, for stealing \$100,400 from the City.

Morgan, 33, of Newark, New Jersey, has been charged with Grand Larceny in the Second Degree. If convicted, he faces up to 15 years in prison.

DOI began its investigation in March 2003 after the New York City Human Resources Administration (HRA) reported it had been billed by two similar organizations – Coalition for the Homeless and Alliance for the Homeless – for the same services. The Coalition for the Homeless (“Coalition”) is a not-for-profit, community-based organization, that operates summer camps for children of families receiving Aid to Dependent Children. Investigators determined that the Alliance for the Homeless (“Alliance”) was also a not-for-profit entity that claimed it, too, ran summer camps.

During the Summer of 2002, Morgan worked at the Coalition’s Camp Homeward Bound Site in Harriman State Park in Bear Mountain, New York. As director of Homeward Bound, Morgan supervised all camp operations including the participants’ private financial information, which he was supposed to submit to HRA so the agency would reimburse the not-for-profit for the cost for each child who attended the camp.

DOI investigators determined that at the end of Summer 2002, Morgan used the Coalition's participant information to request that HRA reimburse camp costs to Alliance, the not-for-profit they had set up. Unaware of the scheme, HRA processed 251 requests and paid Alliance three checks totaling \$100,400 for services the nonprofit did not provide. Morgan did not submit reimbursement requests for the Coalition. However, investigators found that some of the payment requests were part of the Coalition's camp roster. Records for the remaining participants are missing.

Investigators traced \$100,400 worth of checks and ascertained they had been deposited into Alliance's bank account, which Morgan established in Massachusetts. Investigators determined that Alliance did not have a permit to operate a camp in New York State and did not operate a camp at Harriman State Park during the Summer of 2002.

Long before the scheme was uncovered, Morgan was fired from Coalition for the Homeless. In November 2002, Coalition executives discovered Morgan had set up Alliance and that his promotional materials, including his website, closely mirrored those the Coalition used. His replacement began processing the long-delayed reimbursement requests, triggering the investigation.

Commissioner Gill Hearn said, "This defendant violated the public's trust and acted without principle. It is my hope that we can recover the money they stole so that HRA can continue to fund these camps and so that children can continue to enjoy summer outside the City."

Commissioner Gill Hearn thanked HRA Commissioner Verna Eggleston, Acting Director for Office of Childcare, Julie Ibanez, and members of their staff for their assistance in this investigation.

The investigation was conducted by DOI's Inspector General for HRA Gerard Hoey, and members of his staff, including Deputy Inspector General W. Valentine Douglas, and Investigative Auditor Ashima Patel.

The office of New York County District Attorney Robert Morgenthau is prosecuting the case, which has been assigned to Assistant District Attorney Mindy Levinson.

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