



Department of Investigation

Press Release

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2 DEP EMPLOYEES AND QUEENS MAN SENTENCED TO FEDERAL PRISON IN SCHEME TO DEFRAUD CITY OF \$800,000 IN WATER BILLS *COURT ORDERS DEFENDANTS TO MAKE FULL RESTITUTION TO CITY*

MONDAY, AUGUST 16, 1999 - EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that ANGELO RODRIGUEZ and MARIA TERRY VEGA, both formerly employed by the New York City Department of Environmental Protection (DEP), and DIXON GONZALES, a non-City employee, received jail sentences -- ranging from one year to more than five years in federal prison -- and were ordered to make restitution to the City of nearly \$800,000 for their participation in a scheme which led to the loss of nearly \$800,000 in adjusted or canceled water bills owed on dozens of private homes and commercial spaces.

Commissioner Kuriansky noted that today's announced court actions were the result of an 18-month probe -- OPERATION DEEP WATER -- conducted jointly by DOI, the United States Attorney's Office for the Southern District of New York, and the Federal Bureau of Investigation (FBI). The probe ended in October 1998 with the arrest of 20 individuals on federal charges.

According to the 16 complaints originally filed in the case, the Department of Environmental Protection is the New York City agency responsible for collecting all charges imposed for water use at buildings located in New York City, and maintains a computerized system to record charges for water service, as well as the payment made by property owners on their bills.

The complaints charged that RICARDO OCASIO, a DEP employee, entered his agency's computerized billing system and altered outstanding water bills to reduce or eliminate property owners' charges. The property owners or their brokers then allegedly paid RODRIGUEZ and/or an accomplice a percentage of the reduced or eliminated amount of the water bill. RODRIGUEZ, in turn, would allegedly share the money with OCASIO and VEGA, a DEP clerical employee who assisted RODRIGUEZ by giving him information on charges due.

In March 1998, it is alleged, RODRIGUEZ accepted a bribe from a DOI undercover, posing as a managing agent, to eliminate over \$49,000 in water bills for an apartment house in Queens. According to the charges, RODRIGUEZ not only eliminated the entire water bill, but arranged to have the account left with a credit. In return, the DOI undercover paid RODRIGUEZ and an accomplice a total of \$12,000 in cash.

Following these alleged bribe payments, at DOI's request federal officials obtained a court-authorized wiretap of RODRIGUEZ's home telephone, and during the two-month period of the wiretap interception, the property owners or brokers charged in 15 separate complaints, including City Department of Finance employee RENEE HAYNES, contacted RODRIGUEZ about eliminating water bills and paid him bribes. In total, during the course of the investigation, more than \$750,000 worth of water bills was reduced or eliminated, and

RODRIGUEZ was offered and accepted thousands of dollars, some of which he shared with OCASIO and VEGA.

According to Commissioner Kuriansky, the defendants RODRIGUEZ, VEGA, and GONZALES appeared on August 12, 1999, in Manhattan federal court before Judge Jed S. Rakoff, and were sentenced as follows:

1.) ANGELO RODRIGUEZ, the central figure in the conspiracy, was sentenced to 63 months§ imprisonment, followed by 3 years§ supervised release, and was ordered to make restitution, jointly and severally, of \$790,240 to the New York City Water Board. RODRIGUEZ, 38, of Woodside, Queens, who was employed as a meter reader in the Brooklyn office of DEP§s Bureau of Customer and Conservation Services, had pleaded to conspiracy, mail fraud, and failure to file accurate income tax returns in satisfaction of the indictment pending against him.

2.) MARIA TERRY VEGA was sentenced to 12 months§ imprisonment, of which six months are to be served in home confinement, and was ordered to make restitution of \$52,844 to the City Water Board. VEGA, 52, of Ridgewood, Queens, who worked in the same office as RODRIGUEZ, had pleaded guilty to mail fraud in satisfaction of the information pending against her.

3.) DIXON GONZALES, a non-City employee related to RODRIGUEZ through marriage, was sentenced to 30 months§ imprisonment, to be followed by 3 years§ supervised release, and was ordered to make restitution, both jointly and severally, of \$790,240 to the Water Board. GONZALES, 41, of Woodside, Queens, had pleaded guilty to conspiracy and mail fraud in satisfaction of the indictment pending against him.

Judge Rakoff ordered the three defendants to surrender on October 12, 1999, to begin their sentence.

OCASIO, 28, of the Bronx, has pleaded guilty to mail fraud and bribery in satisfaction of the indictment pending against him and will be sentenced next month. HAYNES, 33, of Brooklyn, who previously pleaded guilty to mail fraud in satisfaction of the information pending against her, was sentenced on August 12, 1999, by U.S. District Court Judge Harold Baer, Jr., to a 1-year term of probation and a fine of \$500.

Commissioner Kuriansky noted that of the 20 arrests in this case, 16 have resulted in conviction. In addition, as a direct result of this investigation, DEP has corrected and restored water billings, totaling \$2.1 million, to more than 150 customers. DEP is continuing its review.

Commissioner Kuriansky expressed his appreciation to Mary Jo White, United States Attorney for the Southern District of New York, and to the FBI for their assistance in the investigation, and to DEP for its cooperation throughout the course of the investigation

The Office of the U.S. Attorney for the Southern District of New York is prosecuting the cases. Assistant United States Attorney Robert Cramer is handling the cases.