



Department of Investigation

Press Release

City Of New York - Office Of The Mayor

Mayor Rudolph W. Giuliani Announces Task Force To Overhaul Buildings Department *- Will Develop Recommendations To Improve Inspections & Reform Operations -*

THURSDAY, SEPTEMBER 28, 2000

Mayor Rudolph W. Giuliani announced today the creation of a high-level Task Force to conduct a top-to-bottom management review of the Department of Buildings, and develop recommendations for the agency's future operations. Joining the Mayor for the announcement was Manhattan District Attorney Robert Morgenthau, who earlier in the day announced several indictments against Buildings Department officials and others, based on investigations conducted jointly with the New York City Department of Investigation (DOI) under the supervision of Commissioner Edward J. Kuriansky. Commissioner Kuriansky was also present for the announcement.

"Given the decades-long history of corruption at the Department of Buildings, highlighted by today's announcement by District Attorney Morgenthau and DOI Commissioner Kuriansky of indictments involving senior-level agency personnel, it is clear that the Department of Buildings must be overhauled," Mayor Giuliani said. "Serious consideration must be given to dramatically revamping the agency, even possibly shifting certain key functions to a separate new agency or other City agencies."

The Mayor also announced the appointment of Bart M. Schwartz as chair of the Task Force. Mr. Schwartz is currently President and CEO of DSFX, Mr. Schwartz served as Chief of the Criminal Division in the U.S. Attorney's Office for the Southern District of New York (SDNY) when Mayor Giuliani was U.S. Attorney. Earlier in his career, Mr. Schwartz had served as Chief of the Public Integrity Section of the U.S. Attorney's Office.

"Bart Schwartz is the right person for the job," the Mayor continued. "Thanks to Bart's effective management, the company he founded just a few years ago has enjoyed significant success and growth."

"And Bart has proven has ability to combat corruption. He analyzes problems well, and comes up with solutions. I've known Bart for may years, and I'm confident that he has the skills and experience necessary to undertake this challenging task."

In addition to Mr. Schwartz, the Task Force initially will be comprised of DOI Commissioner Kuriansky, Fire Commissioner Thomas Von Essen, Acting Department of Buildings Commissioner Satish Babbar, Operations Director Michael T. Carpinello, Corporation Counsel Michael D. Hess, and Department of Information, Technology, and Telecommunication Commissioner Allen Dobrin.

The creation of the Task Force is prompted by the serious and systemic corruption problems at DOB over may years, in which not only private sector persons doing business with the department have been charged, but also many DOB employees. For instance:

- In 1975, 95 persons, including Buildings Department inspectors and private expeditors, were indicted following a probe by the Manhattan District Attorney of corruption in the Buildings Department, resulting in 69 convictions.
- In 1991 Operation Jerico resulted in the arrest of 32 construction inspectors. Included were two chief inspectors and five supervisors;
- In 1993 Operation Motown resulted in the arrest of 25 plumbing inspectors. Included were three chief inspectors for Brooklyn, Queens and Manhattan; and
- In 1996 Operation Up-Down resulted in the arrest of 29 elevator inspectors. Included were the acting director, three of the four chief inspectors, and eight of nine supervising inspectors.

The Task Force will work closely with Deputy Mayor for Operations Joseph J. Lhota and will report its findings to the Mayor. In particular, the Task Force will promptly review management and operational responsibilities, practices and procedures of the Buildings Department, and recommend measures to streamline the Agency's operations, such as the use of computer and other technology to increase efficiency and accountability.

The Task Force will also be charged with developing measures to improve the Department's ability to detect and deter illegal behavior. Such measures to be reviewed will include:

- Monitoring and eliminating potentially corrupt relationships between supervisors and inspectors;
- Monitoring, controlling, and limiting the role of expeditors at DOB;
- Developing adequate internal controls to prevent fraud and abuse in the areas of self-certification and computerization; and
- Reviewing the DOB's file and record retention system.

The Task Force will also analyze functions of the Building Department to assess the possibility of shifting certain responsibilities, particularly inspections, to a newly created agency or other City agencies. The Task Force will review the inspection services at other agencies as well, such as the Department of Housing Preservation and Development, the Department of Environmental Protection and the Fire Department, as part of determining the best course of action to recommend.

In addition, the Mayor directed the Department of Investigation to conduct a review of all the work done by government or other personnel now under indictment or investigation to ensure that all safety regulations were satisfied.