



Department of Investigation

Press Release

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DEVELOPER DIPS INTO BUYER'S ESCROW ACCOUNT

-- Fakes Documents To Get \$5,000 Cash --

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI) and PATRICIA J. LANCASTER, AIA today announced the felony arrest of JOSEPH PANICO for allegedly forging a Certificate of Occupancy (C of O) so he could withdraw \$5,000 from a buyer's escrow account.

Panico, 54, a general contractor from Marlboro, N.J., allegedly created a fake Certificate of Occupancy for a home in Rossville, Staten Island based on the certificate issued for another home in the area that was built by his company, Westfield Shore Horizons, according to the Commissioners. Panico used the fake document to obtain \$5,000, which had been held in escrow at Northfield Savings Bank on Staten Island since August 1998 when the house was sold to a New York City Police Officer.

DOI learned about the case last month from the Building Department's Office of Investigation and Discipline. DOB began its initial investigation after the homeowner produced a seemingly valid C of O at an Environmental Control Board hearing, but it was determined that the document was a forgery. An extensive investigation confirmed that a legitimate C of O for a home that Panico built in Eltingville, Staten Island, was used to create a forged C of O for the Rossville premises. In March 2002, the forged instrument had been forwarded to the homeowner's attorney and bank in March 2002, whereupon \$5000 was released from escrow to Westfield Shore Horizons Inc., Panico's firm.

Panico, a vice president at Westfield, will be charged with one count of Forgery in the Second Degree, one count of Grand Larceny in the Third Degree and one count of Criminal Possession of a Forged Instrument in the Second Degree. If convicted, he faces up to 14 years in prison.

Commissioner Gill Hearn and Commission Lancaster thanked the staffs of the two agencies for their teamwork in this effort.

Commissioner Gill Hearn said, "In this case, a police officer, who trusted a contractor to build his dream house that he paid for with his hard-earned civil service salary, was robbed of \$5,000. We not only uncovered a crime of greed but hopefully saved the Officer future expenses on services he thought were already paid for."

Commissioner Lancaster said, "Forging a Department of Buildings document is a serious crime and will not be tolerated. No homeowner in Staten Island should have to doubt whether their C of O is valid. I applaud the mutual efforts of DOI, DOB and the DA's office to bring this matter to justice."

DOI Press Release - Developer Dips Into Buyer's Escrow Account

The investigation was conducted by Robert Roach, DOI's Inspector General for the Buildings Department, Peter Amato, DOB's Assistant Commissioner for Investigations and Discipline, Joseph Ferraro, DOI's Deputy Inspector General for the Buildings Department, Joseph Reda, DOI's Examining Attorney, Mark Sanabria, DOB's Director of Investigations for DOB's Office of Investigations and Discipline, and Ron DeVito, DOB's Director of Compliance for DOB's Office of Investigation and Discipline.

The office of Staten Island District Attorney William L. Murphy is prosecuting the case. It will be handled by Assistant District Attorney Karen Varriale of the Investigations Bureau.