



The City of New York
Department of Investigation

ROSE GILL HEARN
COMMISSIONER

80 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

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**CONTACT: DIANE STRUZZI
(212) 825-5931**

**DOI STATEMENT ON GUILTY PLEA OF FORMER NEW YORK STATE SENATOR EFRAIN GONZALEZ JR.
TO DEFRAUDING NON-PROFITS FOR HIS OWN GAIN
*--Today's is the third guilty plea in the case--***

ROSE GILL HEARN, Commissioner of the Department of Investigation ("DOI"), issued the following statement regarding the guilty plea today of former New York State Sen. EFRAIN GONZALEZ JR. before U.S. District Judge William H. Pauley III in Manhattan federal court. GONZALEZ pleaded guilty to defrauding publicly-funded not-for-profits and using the money to pay for personal luxuries. He is expected to be sentenced August 7, 2009.

DOI Commissioner Rose Gill Hearn said, "This crime is a flagrant example of greed – a public official who used his power and influence to divert hundreds-of-thousands of taxpayer dollars to his personal use. Along the way, he cynically created a nonprofit entity that held itself out as a civic organization but in fact served as a pipeline to deliver public funds into his hands. Today's guilty plea sends a potent message that any individual who uses a not-for-profit organization to pocket public funds will be exposed and prosecuted and may face prison time."

Gonzalez is the third defendant to plead guilty in this case. In March 2009, Neil Berger, the former executive director of the not-for-profit Pathways for Youth, Inc., pleaded guilty to a federal program fraud charge. In April 2009, Miguel Castanos, a former associate of Gonzalez, pleaded guilty to defrauding the not-for-profit Community Association of Progressive Dominicans ("ACDP") of nearly \$34,500 with a no-show job.

Charges against a fourth co-defendant, Lucia Sanchez, are pending. An indictment is an accusation. A defendant is presumed innocent until proven guilty.

Commissioner Gill Hearn thanked Lev L. Dassin, Acting United States Attorney for the Southern District of New York, and Ronald J. Verrochio, Inspector-in-Charge of the New York Office of the United States Postal Inspection Service, and their staffs, for their work on this matter.

Commissioner Gill Hearn also thanked DOI's investigators who worked tirelessly on this investigation, including Benjamin Defibaugh, W. Valentine Douglas, Jose Ramos and Boris Galchenko whose efforts were invaluable.

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