



The City of New York
Department of Investigation

ROSE GILL HEARN
COMMISSIONER

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

Release #53-2007
nyc.gov/html/doi

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 28, 2007

CONTACT: DIANE STRUZZI
(212) 825-5931

**DOI ARRESTS THREE DEP EMPLOYEES FOR ALLEGED ILLEGAL GUN SALE
ON DEP PROPERTY IN UPSTATE NEW YORK**

-- A supervisor and two of his subordinates are accused of conspiring to falsify pistol permits so the supervisor could purchase a Colt .45 magnum semi-automatic pistol--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today the culmination of an investigation that resulted in the arrest of three New York City Department of Environmental Protection ("DEP") employees for allegedly participating in an illegal gun sale on DEP property in Grand Gorge, N.Y. and then conspiring to cover it up. The three employees work for DEP's Bureau of Water Supply and assist in operation of more than a half dozen wastewater treatment plants in the upstate New York City watershed.

On June 24, 2007, DOI arrested THOMAS GANZ, 36, of Grahamsville, N.Y., on charges of Criminal Possession of a Weapon in the Fourth Degree, a class A misdemeanor. GANZ is accused of possessing a Colt .45 firearm without a pistol permit. If convicted, GANZ faces up to one year in jail. GANZ is Chief of Wastewater Treatment Operations, and has been with DEP for nearly seven years. He earns an annual salary of \$66,922.

Today, DOI arrested JAMES GERAGHTY, 38, of Stamford, N.Y., and GEORGE PENNELL, JR., 39, of Liberty, N.Y. Each has been charged with Submitting a False Instrument for Filing in the First Degree and Falsifying Business Records in the First Degree, which are both class E felonies. In addition, GERAGHTY faces a charge of Unlawful Disposal of a Firearm, a class A misdemeanor.

GERAGHTY is an Instrument Technician and has been with DEP for four years. He earns an annual salary of \$59,751. PENNELL is a Watershed Maintainer and has been with DEP for nearly 12 years. He earns an annual salary of \$46,638. GANZ supervises both GERAGHTY and PENNELL.

If convicted, GERAGHTY AND PENNELL each face up to four years in prison.

GANZ, GERAGHTY and PENNELL were suspended from DEP on June 22, 2007 for 30 days without pay.

DOI began its investigation last week, after receiving a tip from an individual who recently attended a DOI corruption prevention lecture. The tip alleged GANZ was treating PENNELL favorably and that the favorable treatment was the result of PENNELL participating in an illegal gun sale.

DOI Commissioner Rose Gill Hearn said, "This investigation reveals troubling allegations of three DEP employees accused of ignoring the law to participate in an illegal gun sale on DEP property and then trying to cover up their scheme. A DOI anti-corruption lecture exposed allegations about this unscrupulous behavior. This type of criminal conduct reflects contempt for the law and for the City employees who are honest, hard working and law abiding."

DOI's investigation determined that GANZ, who does not have a valid pistol permit in New York State, purchased a Colt .45 magnum semi-automatic pistol from GERAGHTY. GANZ paid \$650 for the weapon and the illegal transfer of the gun was conducted in July 2005 in the parking lot of a DEP facility in Grand Gorge, N.Y.

In addition, the investigation found that GANZ, GERAGHTY and PENNELL then conspired to cover up the illegal gun sale by falsely filing documents in Delaware and Sullivan counties to make it appear that the gun was legally transferred from GERAGHTY to PENNELL. Both GERAGHTY and PENNELL have pistol permits in New York State. PENNELL listed on his pistol permit that he owned the Colt .45 magnum semi-automatic pistol, yet the DOI investigation found that PENNELL never saw or took possession of the gun.

DOI corruption prevention lectures began in 2002 as a proactive effort by DOI to educate City employees about their obligation to report corruption and the protections afforded to employees when they do so. This fiscal year, DOI has conducted more than 350 corruption prevention lectures at a variety of City agencies. Since January 2007, the DOI has conducted 76 corruption prevention lectures at DEP with a total attendance of 1,761 DEP employees, which includes the entire Bureau of Water Supply.

Commissioner Gill Hearn thanked DEP Commissioner Emily Lloyd and her staff for their cooperation with the investigation.

GANZ and PENNELL will be prosecuted by the Office of Sullivan County District Attorney Stephen F. Lungen. GERAGHTY will be prosecuted by the Office of Delaware County District Attorney Richard D. Northrup, Jr.

The investigation was conducted by members of the Office of the Inspector General for DEP under the supervision of Deputy Assistant Commissioner John Kantor, including Deputy Inspector General Michael Carroll, 1st Assistant Inspector General Michael Healy and Chief Investigator Stephen Kardian.

Criminal complaints are merely an accusation. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.

**Get the worms out of the Big Apple.
To report someone ripping off the city, call DOI at (212) 825-5959.**