



The City of New York
Department of Investigation

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DOI CLOSES FISCAL YEAR 2007 WITH INCREASE IN ARRESTS
--Stats also reflect increase in number of complaints and agency caseload--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today that the agency made 368 arrests in fiscal year 2007, (July 1, 2006-June 30, 2007), a 35 percent increase since fiscal year 2002 when there were 272 arrests, according to statistics. The number of corruption-prevention outreach lectures conducted by the agency was 551 in fiscal year 2007, an increase from 308 lectures in fiscal year 2006. In addition, the numbers for complaints received and the caseload carried by the agency are up more than 25 percent from fiscal year 2002.

The statistics reflect the breadth of DOI's investigations. Last fiscal year, DOI arrests included nine contractors for allegedly paying bribes to overlook prevailing wage violations on Parks Department projects; a man for allegedly trying to steal the Soho Grand Hotel by filing a false real property deed with the City Department of Finance and more than 70 individuals who were charged with getting subsidized City housing under false pretenses. In addition, DOI completed several complicated public corruption investigations that ended in the arrest of public officials in connection with corruption-related allegations: New York State Senator Efrain Gonzalez, Assemblyman Brian McLaughlin and Assemblywoman Diane Gordon.

- The 368 arrests made in fiscal year 2007 are up 7% from fiscal year 2006 when 345 arrests were made.
- Of the 368 individuals arrested last fiscal year, 287 of the individuals were non-City employees, underscoring DOI's commitment to target those who would seek to steal from the City or bribe City employees.
- Since fiscal year 2002:
 - ❖ Complaints have increased by 46 percent, from 8,838 to 12,876, showing that DOI's corruption-prevention lectures are working. The lectures educate municipal employees as well as contractors doing business with the City about recognizing wrongdoing and their obligation to report it to DOI. As a result, the agency's

caseload has risen by about 28 percent, from 1,601 in fiscal year 2002 to 2,048 in fiscal year 2007.

- ❖ Arrests have increased by 35 percent, from 272 to 368, an indication that the agency is diligently working to protect the city from corruption.

As part of a proactive effort to encourage people to report corruption and to serve as a deterrent, DOI began an organized lecture program in 2002 reaching both City employees in all City agencies and individuals who do business with the City. One of the successes of that program includes the fact that DOI receives reports about corruption following the lectures, some of which have resulted in significant criminal cases. For example, a tip from a lecture conducted at Housing Preservation & Development eventually led to the arrest of Assemblywoman Diane Gordon. A lecture at the Department of Correction brought about the arrest of a Captain and Assistant Deputy Warden for allegedly trying to cover up the assault of an inmate. Following tips received from a lecture held at the Department of Environmental Protection, three DEP employees were arrested in connection with illegal gun sale charges. DOI presented 551 corruption-prevention lectures in fiscal year 2007, an increase from the 308 corruption-prevention lectures conducted in fiscal year 2006. The reason for the marked increase was a renewed outreach effort to ensure that City employees are aware of, and do not become complacent about, their obligation to report corruption to DOI, and their right to be protected when they do so.

DOI Commissioner Rose Gill Hearn said, "These statistics show DOI's continued effort to root out corruption and pursue the City's mission of instilling integrity in government. DOI's investigations have not just focused on municipal employees but also individuals who deal with the City and choose to engage in criminal behavior. In addition, DOI is trying to stem future wrongdoing through its corruption-prevention lectures, by making policy and procedure recommendations that prevent reoccurrence of waste or corruption and by issuing public reports. These reports are a powerful and effective tool for exposing problems, mandating reform and maintaining transparency in government."

A goal of DOI's work is to assist agencies in exposing, understanding and analyzing corruption vulnerabilities in their agencies, and to prevent future corruption and waste. Last fiscal year, DOI issued the following seven reports, which covered an array of investigations and agencies:

- **December 2006:** A probe into the employment status of New York City firefighter John Mayo revealed that Mayo had been absent without leave when he should have been on Light Duty performing administrative duties for the New York City Fire Department (FDNY) from April until June 2006. The DOI Report also showed that Mayo's misconduct was facilitated by inadequate regulations and oversight regarding personnel placed on Light Duty. As a result, Mayo manipulated the lack of regulations and was paid for approximately nine weeks when he did not show up for work. In its Report, DOI recommended, among other things, that a written regulation was needed to better manage members on Light Duty. As a result of DOI's findings and Report, Mayo was fined \$28,000 and the FDNY established a policy requiring officers be accountable for members assigned to them who are on Light Duty.
- **October 2006:** After a two-year-long investigation into allegations of wrongdoing and impropriety at the formerly City-funded not-for-profit Gloria Wise Boys and Girls Club in the Bronx, DOI found that Gloria Wise executives misappropriated and improperly obtained from Gloria Wise a total of \$1.2 million. Charles Rosen, the organization's former executive director, and Jeffrey Aulenbach, the organization's former deputy executive director, were convicted, ordered to pay back thousands in restitution and barred from working at a not-for-profit for three years. DOI also took the additional step of recouping

\$625,000 that was owed to City agencies from Air America, which had received the money from Gloria Wise.

- **January 2007:** DOI found 14 members of the FDNY had submitted bogus degrees trying to earn promotions or appointments. Three officers were promoted based on the phony degrees. The Report found that the “degrees” were bought online from an entity that called itself “St. Regis University” (St. Regis), or one of its affiliates, whose operators have now been charged in a federal criminal case with the sale of phony academic credentials. The “degrees” were not based on any coursework and, in some cases, were backdated so the FDNY members could comply with the necessary FDNY educational requirements in order to be hired or promoted. Some FDNY personnel even obtained manufactured transcripts from St. Regis that represented fake “grades” supposedly earned for specific courses.
- **April 2007:** After rats were videotaped at a Greenwich Village KFC-Taco Bell restaurant a day after an inspector from the City Department of Health and Mental Hygiene (“DOHMH”) gave the restaurant a passing grade, DOI investigated. DOI found the Public Health Sanitarian (“PHS”) who inspected the restaurant underreported the rodent-related findings and failed to take proper action at the KFC-Taco Bell, which constituted a “gross dereliction” of her duties. After DOI recommended the PHS be terminated from her employment at DOHMH, the PHS resigned. DOI also recommended making several other recommendations regarding DOHMH restaurant inspections.
- **May 2007:** DOI’s investigation into the Taxi and Limousine Commission (“TLC”) medallion auctions found that the TLC rules were not consistently applied and that they conflicted with the TLC auction bid form. As a result, the TLC proposed revisions to its auction rules in an effort to clarify its regulations regarding collusion among bidders, the relationship between brokers and bidders, and the policies governing “reserve status” bids.
- **June 2007:** A DOI investigation uncovered serious wrongdoing by Richard Gottfried, a “Mitigation Specialist,” who was able to exploit the New York City Assigned Counsel Plan (ACP) by overbilling the system for phantom services he did not provide. The investigation also revealed significant vulnerabilities in the operation of the City’s ACP and, as a result, DOI recommended a number of changes to the application process and the process by which participating members are paid for their work. DOI discussed its findings with the ACP and City’s Criminal Justice Coordinator, which has already led to a number of changes in the application and payment processes for experts
- **June 2007:** A DOI investigation led to the referral for discipline of 51 New York City Department of Sanitation (DSNY) workers and the arrest of nine Sanitation Workers for Official Misconduct. DOI surveillance observed more than 50 Sanitation Workers in Queens committing multiple violations, including improperly collecting and selling scrap metal; breaking up discarded air conditioners that had not been certified as safe to collect by the DSNY and collecting trade waste. DOI also observed nine Sanitation Workers allegedly engage in misconduct, by improperly collecting air conditioners, even though they were not licensed or trained to do so. In all but one case, the Sanitation Workers were observed collecting and dismantling air conditioners to sell the scrap metal for profit.

Press releases on DOI's arrests and investigations, as well as DOI's reports, can be found on the agency's website at the following link: <http://doiweb/nycgov/html/press/press.html>.

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.**