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Release #71-2009  
[nyc.gov/html/doi](http://nyc.gov/html/doi)

**FOR IMMEDIATE RELEASE**  
**THURSDAY, JULY 16, 2009**

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**REMARKS OF DOI COMMISSIONER ROSE GILL HEARN  
REGARDING THE GUILTY PLEA OF FORMER CITY COUNCILMAN MIGUEL MARTINEZ**

Just two days ago, Miguel Martinez was a City Councilman; today he stands convicted on felony corruption charges. His public office brought him stature, influence and access to money. Sadly, he used that power to swindle New York City taxpayers of approximately \$106,000.

Mr. Martinez's journey from elected official to criminal is a textbook case of an individual who traded on the access of his public office to deceive his constituents and enrich himself:

- He used taxpayer money intended for his office to pay his own expenses;
- He diverted money from Council-funded not-for-profit organizations to himself.
- He obtained money from a private developer and channeled those funds through one of those not-for-profits, known as UCAN, to himself;
- And, he concealed his criminal acts by omitting those proceeds from his financial disclosure reports.

In short, the crimes described in today's guilty plea by former City Councilman Martinez represent his fundamental betrayal of the public trust.

This was a thorough and intense criminal probe by DOI and the U.S. Attorney's Office for the Southern District, an outgrowth of our continued investigation into how City Council discretionary funds are spent, in particular, on City-funded not-for-profits.

The good news is that we successfully pulled back the veneer of this scam to expose the corruption and stop it. But it is a sad day for New Yorkers when an individual elected to represent our best interest instead works against it by abusing his authority for his own benefit.

These kinds of crimes amount to a bet – that no one is watching taxpayer funds. DOI and our colleagues in the U.S. Attorney's Office stand before you today to tell you that any individual who takes that foolish bet will end up losing.

DOI's partnership with the Southern District in this case underscores the success of our ongoing efforts in this area, which includes arrests, guilty pleas and the sentencing of public officials, City employees and not-for-profit insiders who were caught using publicly-funded organizations as their personal cash machines. Earlier this week, for instance, in a similar phony invoice scheme, Hugh Blackburn a former deputy director of

two City-contracted Head Start programs was sentenced to 30 months in federal prison for embezzling hundreds of thousands of dollars from these programs.

Those cases and today's guilty plea are stark reminders that these criminal endeavors will end one way -- in arrest, prosecution and potentially prison. DOI and the Southern District continue to work together to uncover the kind of corruption that damages the public trust and wastes valuable public funds.

I want to thank my colleagues at Southern District, in particular Acting U.S. Attorney Lev Dassin and Chief of the Public Corruption Unit Boyd Johnson and their dedicated staff of Assistant U.S. Attorneys, and DOI's team of auditors and investigators for their hard work, insight and commitment on this investigation.

*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.*

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