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**REMARKS OF DOI COMMISSIONER ROSE GILL HEARN ON THE
INDICTMENT OF HIRAM MONSERRATE ON CHARGES OF MAIL FRAUD AND CONSPIRACY**

An indictment of a former elected official should be a rare and remarkable moment. Instead, sadly, it has become an all too common occurrence.

In fact, this is the third time in little more than a year that DOI and the U.S. Attorney's Office for the Southern District of New York have announced that a former or current City Councilman has been charged with defrauding the taxpayers by abusing discretionary funds.

For more than two years, DOI and the U.S. Attorney's Office have joined forces to root out misuse of discretionary funds, and this indictment is the latest development in that proactive effort. In this case, the investigation uncovered a corrupt official charged with manipulating the public funding of a nonprofit for his personal campaign. Let there be no doubt: anyone who misappropriates, abuses, or diverts public funds from City-funded nonprofits will be held accountable and will face arrest and prosecution.

In fact, this type of public corruption investigation is what DOI does. We stood before you in this room in February 2010, when Councilman Larry Seabrook was indicted on public corruption charges, and in July 2009 when Councilman Miguel Martinez pleaded guilty to felony corruption charges.

We stood before you when ex-Assemblyman Brian McLaughlin was charged in 2006 with a variety of schemes including siphoning off public money intended for a local little league; and when ex-Senator Efrain Gonzalez was charged with fraudulently using two nonprofits to pay for his personal expenses.

We were here when Asquith Reid, former chief of staff to a City Councilman, and another staffer, were charged with embezzling discretionary funds from a City-funded nonprofit.

In fact, there have been so many cases involving fraud at City-funded non-profits that we opened a unit within DOI to focus on and investigate these matters. That unit has had prolific results. Including today's announcement, there have been 37 arrests, with 33 of those cases so far ending in convictions of individuals at nonprofits who stole discretionary and other City contract funds. Some of those non-profits are the Gloria Wise Boys & Girls Club, St. Albans and La Peninsula, Tremont Community Council, and many more.

All of the scarce funds given to these non-profits by the City are supposed to be for the benefit of New Yorkers in need. LIBREs stated mission, for example, was to provide assistance to the very community this defendant represented. But in reality, Hiram Monserrate's political ambition became the main beneficiary, as charged in the Indictment.

To be clear, many City-funded nonprofits lawfully provide essential community-based services to New Yorkers. But when individuals treat these organizations as a source of personal cash, DOIs Not-for-Profit Fraud Unit awaits. We will say again that we will continue to expose those who devise audacious schemes to swindle the taxpayers.

I want to thank our partner U.S. Attorney Preet Bharara and his dedicated staff for all of this work in the public corruption arena, including Deputy U.S. Attorney Boyd Johnson, Richard Zabel, Chief of the Criminal Division, and Assistant U.S. Attorneys Brent Wible and Glen McGorty, led by Dan Stein, Chief of the Public Corruption Unit. I also want to thank the Queens District Attorney's Office and the hard-working team of DOI investigators who methodically worked to expose the facts that are outlined in this indictment, especially Pat Russo and Giovan Patalano.

An indictment is an accusation. A defendant is 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.

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