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**REMARKS OF DOI COMMISSIONER ROSE GILL HEARN CONCERNING THE INDICTMENT OF
THREE INDIVIDUALS AND A CRANE COMPANY IN A BRIBERY SCHEME**

In the Spring of 2008, with public attention focused on cranes, DOI and Mr. Morgenthau's office relentlessly pursued the facts and uncovered a long-standing corrupt relationship between the City's senior crane inspector and an established crane company executive. This case is a forceful message to those members of the industry and anyone at the DOB involved in similar conduct that corrupting DOB procedures for operating will bring about these consequences, and so it might be preferable to comply with the law rather than break it. The citizens of New York we know would appreciate that, as the DOB regulations are also safety measures. We at DOI have always believed that there is a direct connection between integrity issues and public safety concerns.

Let me say a bit about the investigation. It was fast and focused.

Amid DOI's intense and methodical probe of DOB's Cranes and Derricks Division, which included top-to-bottom interviews, investigators received a tip in May and a crucial piece of evidence: a DOB crane operator's exam in the hands of someone who should not have had it.

Armed with that information, DOI investigators moved forward and interviewed the DOB's senior crane inspector, James Delayo, which led to his arrest on charges relating to selling the DOB crane exam and falsifying crane inspection reports in exchange for bribes. Working around the clock with the Manhattan District Attorney's Office, investigators obtained a search warrant and conducted a pre-dawn search of Nu-Way's office, finding additional DOB crane operator exams with the answers.

At the same time, DOI investigators fanned out throughout the region to interview Nu-Way employees.

Ultimately, with our colleagues in the Manhattan DA's office, the investigators interviewed dozens of witnesses, examined thousands of documents and assembled a picture of the bribery scheme charged in today's indictment. The defendants are:

- **James Delayo**, who until his June arrest was a 26-year DOB veteran and, for thousands of dollars over many years, made life easy for Michael Sackaris, the owner of Nu-Way Crane Service. In 2004, when the DOB wanted Delayo's position to become one that would have involved in-house administrative functions within the Crane & Derricks Division, he passed,

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preferring to stay out in the field doing inspections. With that, his phony testing and inspection opportunities continued.

- **Michael Sackaris**, an established business owner, who held himself out as a responsible representative of his industry, even sitting on the DOB's Cranes Advisory Council, discussing and advising DOB on regulatory issues, all the while privately cutting corners for himself by corrupting those very same procedures. This is a disgrace and a disservice to the DOB. Sackaris found it cheaper and more convenient to pay off a City inspector than to bring his mobile cranes into the City for inspection.
- **Michael Pascalli**, a Nu-Way employee, who through the bribery scheme sat out a practical exam for the mobile crane license and falsified City records to say he had taken and passed it.

Today's indictment is a significant step forward in our ongoing campaign to shed light on areas of the construction industry that have operated in the shadow of corruption. We have seen all too vividly the cost of laxity in an industry where the risk is measured in lives. Today's indictment strikes a blow for integrity and safety.

I want to thank District Attorney Morgenthau and his Racket's Bureau for working with us and prosecuting this very important case. I also want to thank DOI Associate Commissioner John Kantor and DOI's Inspector General for the Department of Buildings Michael Carroll and their team of dedicated investigators, including Deputy Inspector General Edward Zinser, Chief Investigator Byron Biggerstaff and Special Investigator Sadie Lopez.

Indictments are merely accusations. 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.

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