



The City of New York
Department of Investigation

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**FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 12, 2014**

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**DOI Commissioner Mark G. Peters
Prepared Remarks for Child Care Press Conference
Friday, September 12, 2014, DOI Headquarters**

Good morning. Thank you all for coming.

Today, we announce the results of four significant investigations into criminal conduct at child care facilities in the City. Our investigations demonstrate, yet again, that illegal conduct such as falsifying documents and stealing City funds have far-reaching implications. In these cases, the charged conduct jeopardized the health and safety of children in New York City, a priority for me, for DOI, and for each of the District Attorneys standing before you.

I want to recognize and thank Brooklyn District Attorney Ken Thompson and Staten Island District Attorney Dan Donovan and their team of prosecutors for their partnership and dedication on these important cases.

Seven months ago, when I started this job, I focused DOI's attention on how our work can, and should, and will protect the health and safety of New Yorkers. It is a prime goal of mine and that of my Inspectors General. These cases show we are realizing that vision.

Each of these investigations developed after the City Health Department reported to DOI concerns related to certain facilities. The investigation then showed that each of these defendants had falsified documents either to cover-up safety hazards or to steal money.

For example, our investigators found:

- Forged medical records and fingerprint background letters from DOI;
- Falsified letters stating employees received training in child abuse identification;
- Teachers who never received their credentials; and

more

- Fake educational degrees.

These fabrications meant the City did not have a clear picture of the staff and operations at these sites, and whether children were appropriately protected. In other words, this is not just about paperwork, but what stands behind it. And what stands behind it must be fact not fiction.

Before I describe the investigations, I want to point out two important facts: None of the nine child care sites in Brooklyn and Staten Island associated with these defendants were providers of Universal Pre-Kindergarten programs. Six sites are closed; two were referred to the State for closure, and one has been allowed to operate until the end of the year, but was inspected this week, and no violations were found. In all, these sites were permitted to serve more than 400 children.

Let me give you a quick overview of the investigations and then District Attorneys Thompson and Donovan can give you more details. In each of these cases, the owners/operators of these facilities face an array of criminal charges:

- OWEN LARMAN was an owner of Next to Home Child Care, a business that purportedly provided services to approximately 325 children at four locations in Brooklyn. According to the indictment, LARMAN registered to operate a child care program at one site for 80 children, and submitted vouchers to the City's Administration for Children's Services for payment. Our investigation found these vouchers were sham requests and no services were ever provided. But LARMAN made sure he benefited, pocketing nearly \$60,000 in City funds.

Further troubling was an inspection at one of LARMAN's actual sites. We found rat poison and excrement on the floor. As you can see in this photo, we found garbage piled in the backyard preventing access to a means of egress. We found rotten milk in the fridge. And - next photo please - we found the fire alarm lever in the lobby falling off the wall. The site was closed that day.

- ELENA KAPLAN runs ABC Little Star Day Care in Brooklyn and, according to the indictment, when Health inspectors visited the site, she provided them with a false teacher certificate that allowed KAPLAN to function as an Educational Director; fake Masters' degrees for a teacher on site, and a fabricated fingerprint letter from DOI. When we searched the property we also found phony certifications falsely demonstrating that staff had received training in identifying child abuse.
- GINA SCHIAVO is the owner of One of a Kind Child Care on Staten Island. According to the criminal complaint, she provided a Health Inspector with fraudulent documents that included forged letters stating two teachers had completed background checks showing no record of child abuse.
- VIKTORIYA FEDEROVICH is the owner of Gnomiki Day Care Inc. in Brooklyn. According to the criminal complaint, she provided bogus documents to prove that two employees had received the required training in identifying and reporting child abuse and maltreatment, and a volunteer had received the required 15-hour safety training.

Let me be clear and direct: The conduct exposed in these investigations ignored children's well-being and was meant to evade the City's health and safety regulations and cover up safety concerns and outright theft. In one of these cases, that conduct meant tens of thousands of taxpayer dollars intended for children lined the pockets of one of the defendants.

The good news is the City's inspection process for child care facilities caught these crimes. Routine inspections raised concerns and those concerns were reported to DOI. DOI investigated and worked with the District Attorneys and we reached out to the relevant City agencies to shut down the offending sites.

We continue these collaborative efforts.

DOI, working with other safety agencies, is vigorously policing the integrity of child care in New York City.

Steal from the City, lie to us about our citizens' safety, and we will deal with you severely.

I'll give the podium over to District Attorneys Thompson and Donovan so they can provide some more detail on these investigations.

Indictments and criminal complaints are 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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