



The City of New York
Department of Investigation

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**TWO FORMER HPD INSPECTORS SENTENCED TO PRISON TERMS FOR THEIR ROLES IN
BRIBERY SCHEME TO OVERLOOK SAFETY VIOLATIONS ON BUILDINGS**

Mark G. Peters, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement on the sentencing of a former Housing Inspector with the City Department of Housing Preservation and Development ("HPD") for his role in a bribery scheme in which he removed housing code violations in return for thousands of dollars in cash bribes. Today, Manhattan Supreme Court Judge Marcy L. Kahn sentenced LUIS SOTO, 52, of Staten Island, to 2 ½ years to 7 ½ years in prison. SOTO is one of five HPD employees who were charged in the large-scale bribery investigation by DOI and the office of the Manhattan District Attorney and which led to the indictment of 50, including 16 City employees. The two-year investigation began from a tip to DOI and included court-ordered wiretaps; analysis of financial and phone records; and surveillance, ultimately uncovering approximately \$450,000 of alleged bribes in numerous, distinct schemes.

DOI Commissioner Mark G. Peters said, "Incarceration is appropriate for this former City employee and his co-defendant who chose personal profit over protecting the integrity of buildings in New York City. That kind of contempt for the City's housing code and for New Yorkers' safety must be recognized for what it is: a crime that carries a serious punishment. DOI used its deep knowledge of corruption schemes and how they penetrate the City's construction industry, and worked with the Manhattan District Attorney to protect the public's safety."

SOTO pleaded guilty on May 7, 2015 to Bribe Receiving in the Second Degree and Tampering with Public Records in the First Degree, both felonies, and related charges, for his role in negotiating and accepting bribes of up to \$2,500 per property to remove housing code violations. The investigation found that SOTO eliminated violations from property records between May and August 2014 and, in one instance, a Brooklyn property owner paid SOTO approximately \$20,000 to remove 476 violations at 13 separate properties. SOTO then paid an HPD colleague, OLIVER ORTIZ, 51, Brooklyn, N.Y. to falsify records in the HPD system. ORTIZ pleaded guilty May 15, 2015 to Tampering with Public Records in the First Degree and Bribe Receiving in the Third Degree, both felonies, for his role in the scheme and was sentenced last week to 1 1/3 years and four years in prison.

ORTIZ and SOTO accepted more than \$41,000 in bribes to remove hundreds of violations at dozens of properties owned or managed by eight individuals, including ROBERT CADDOCH, 34, of

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Kingston, N.Y., pleaded guilty to attempted Bribery in the Third Degree in June 2015, and was sentenced to three years conditional discharge and 300 hours of community service.

SOTO has also pleaded guilty in connection with receiving bribes to wrongfully evict tenants in Brooklyn under the guise of a fake HPD vacate order, and he is due to be sentenced on those crimes in August 2015.

SOTO began working for HPD in July 2000 and at the time of his arrest was a Supervising Code Enforcement Inspector receiving an annual base salary of \$51,936. He was suspended upon his arrest and later resigned.

ORTIZ began working with HPD in April 1994 and at the time of his termination in May 2015 was receiving a salary of approximately \$70,760 as an Associate Housing Inspector in Manhattan, a supervisory position.

DOI Commissioner Peters thanked Manhattan District Attorney Cyrus R. Vance Jr., NYPD Commissioner William J. Bratton, Brooklyn District Attorney Ken Thompson, and their staffs, as well as the Pennsylvania State Police, for their partnership and dedication on this significant investigation, and DOB Commissioner Rick D. Chandler and HPD Commissioner Vicki Been and their staffs for their cooperation in this investigation.

The investigation was conducted by DOI's Office of the Inspector General for DOB and HPD, specifically Director of the Investigative Audit Unit Laila Yu, Financial Investigator Helen Gromadsky; Special Investigators Michael Antolini and Noah Mohney; Chief Investigator James McElligott; Deputy Inspector General Edward Zinser; and Inspector General Gregory Cho under the supervision of Deputy Commissioner/Chief of Investigations Michael Carroll.

The following prosecutors from the Manhattan District Attorney's Office are working on the case: Assistant District Attorney Rachana Pathak is handling the prosecution of the DOB-related indictments, and Assistant District Attorney Kathryn M. Spota, as well as Assistant District Attorney Harrison Schweiloch is handling the prosecution of the HPD-related indictments. These cases are being prosecuted under the supervision of Assistant District Attorneys Michael Ohm, Deputy Chief of the Rackets Bureau; Judy Salwen, Principal Deputy Chief of the Rackets Bureau; Amyjane Rettew, Counsel to the Investigation Division; and Jodie Kane, Chief of the Rackets Bureau, as well as Executive Assistant District Attorney David Szuchman, Chief of the Investigation Division.

Indictments are accusations. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. 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. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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