



The City of New York
Department of Investigation

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**Remarks of New York City Department of Investigation Commissioner Mark G. Peters for
Manhattan District Attorney's Press Conference Announcing Arrests Involving the Tow Truck Industry**

Thank you District Attorney Vance and NYPD Assistant Chief Brian McCarthy. It is always great to partner with your offices and work on these important cases.

DOI was pleased to bring to this investigation our ability, as the City's Inspector General, to provide access to City records and a deep knowledge about how the City operates.

In this investigation, the records obtained from the Department of Consumer Affairs ("DCA") helped investigators drill down on the false information that was submitted to the City and the type of fraud these defendants are now charged with committing. Based on the indictments, the filing of false information occurred as part of a larger conspiracy to commit insurance fraud by inflating claims for repairs and to use acts of violence or threats of violence to restrict competition in the towing industry.

DCA's purpose is to protect the public from deceptive business practices. In fact, it was the first municipal agency of its kind in the country.

As charged, these defendants sought to undermine that legacy and that purpose.

Many DOI investigations focus on the issue that has been brought to light in this case: filing false information with the City.

False filings matter. When the City is fed false information that then becomes a part of its permanent record, it undermines the City's ability to do its job and protect New Yorkers. DOI has seen the stark results of this type of illegal conduct, and often we have exposed those cases as part of our partnership with the Manhattan District Attorney. False filings can lead to the evasion of safety laws, exposure to hazardous substances like asbestos, improper work at construction sites, and fraud that steals taxpayer funds.

Stemming from this investigation, and working with our partners, DOI will be issuing the following four recommendations:

- 1: The City should review and strengthen the licensing system for towing companies;
- 2: The City should provide additional resources to DCA's Licensing and Enforcement Divisions for hiring and training of additional personnel to increase the frequency of inspections;
- 3: DCA should conduct more thorough background investigations of tow truck companies, owners and employees and should be using a larger complement of investigative databases to conduct these investigations; and

more

4: DCA should ensure that data on violations, fines and other adverse information is readily available and accessible to the public through a link on its website to the City's Open Data portal.

Again and again, DOI has seen that false information erodes integrity and safety; that it places New Yorkers in dangerous situations; and that it destroys the public's confidence in government. DOI, working with our law enforcement partners, will not let that happen.

I want to thank the team at DOI, specifically Special Investigator Anastasia Plakas, First Deputy Inspector General Mary Kozlow, DCA Inspector General Chin Ho Cheng, under the supervision of Associate Commissioner Andrew Brunsten, Deputy Commissioner/Chief of Investigations Susan Lambiase and First Deputy Commissioner Lesley Brovner.

Thank you.

Indictments are an accusation. 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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