

SUPERIOR-SUBORDINATE FINANCIAL RELATIONSHIPS

•Relevant Charter Sections: City Charter § 2604(b)(14)

The Board fined a former New York City Department of Education (“DOE”) Principal \$2,500 for entering into a financial relationship with his DOE subordinate and for misusing City time and resources. The Principal admitted that, while he served as a Principal, he paid his subordinate, a Paraprofessional, at least \$1,888.15 for working on projects related to his private music business, he met with his subordinate during his work hours to discuss his subordinate’s work for his music business, and he used his City email account and telephone to work on his music business. The Principal acknowledged that his conduct violated the City’s conflicts of interest law, which prohibits a City employee from entering into any financial relationship with a superior or a subordinate and from misusing City time and resources. *COIB v. W. Rodriguez*, COIB Case No. 2013-044 (2013).

A Borough Supervisor (Custodians) for the New York City Department of Citywide Administrative Services (“DCAS”) misused her position and City resources for personal gain. In a joint settlement of an agency disciplinary action and a Board enforcement action, the now former Borough Supervisor admitted she misused her position over DCAS employees who reported to her. Specifically, she regularly asked two subordinates to buy her lunch, borrowed at a total of at least \$600 from six subordinates, and arranged for three subordinates to come to her home on the weekends to paint a bedroom, repair a leak in her sink, and clean her carpets using DCAS-owned equipment. She also admitted to misusing City resources by taking her grandchild to school in a DCAS vehicle. As a penalty, the Borough Supervisor agreed to irrevocably resign from DCAS, to never seek employment with any City agency in the future, and to forfeit \$1,000 of accrued annual leave. *COIB v. Blackman*, COIB Case No. 2012-605 (2013).

A New York City Department of Parks and Recreation (“Parks”) District Manager paid the Board a \$1,750 fine for selling points for a Disney timeshare program and electronic equipment to subordinate Parks employees, in violation of the City’s conflict of interest law provisions prohibiting City employees from misusing their positions for personal financial gain and from entering into financial relationships with their subordinates. In a public disposition of the Board’s charges, the District Manager for Staten Island Parks admitted to selling points that he had accumulated from his membership in the Disney Vacation Club to three subordinate Parks Department employees. The subordinates each paid between \$600 and \$1,800 for the points, which they could use to stay at Disney properties. The District Manager also sold electronic items, including a camera, X-box, and GPS devices, to two subordinates. *COIB v. Zerilli*, COIB Case No. 2012-329 (2012).

The Board issued its Findings of Facts, Conclusions of Law, and Order fining a Lieutenant in the Emergency Medical Service (“EMS”) in the New York City Fire Department (“FDNY”) \$2,500 for borrowing \$3,000 from her subordinate, an FDNY Emergency Medical Technician. The Board’s Order adopted in substantial part the Report and Recommendation of the Office of Administrative Trials and Hearings (“OATH”), issued after a full trial before Administrative Law Judge (“ALJ”) Faye Lewis. The Board found that the ALJ correctly determined that the EMS Lieutenant accepted a \$3,000 loan from her subordinate in 2005, which she did not pay back for five years, until 2010, after she was interviewed by the New York City Department of Investigation regarding these allegations. The ALJ found, and the Board adopted as its own findings, that the Lieutenant’s conduct violated the City’s conflicts of interest law, which prohibits a public servant from entering into any business or financial relationship, such as

giving or receiving a loan, with another public servant who is a superior or subordinate of such public servant. For this violation, the ALJ recommended, and the Board ordered, that the Lieutenant pay a fine of \$2,500, even though the Lieutenant had repaid the loan prior to the commencement of the Board's enforcement action. *COIB v. L. Paige*, COIB Case No. 2010-439 (2011).

The Board and the New York City Department of Education ("DOE") concluded a three-way settlement with an Assistant Principal who agreed to irrevocably resign from DOE and to not seek future employment with DOE for attempting to sell and selling pocketbooks to her DOE subordinates and borrowing money from one of those subordinates. The Assistant Principal acknowledged that she invited several subordinates to a "pocketbook party" she was hosting at her home on October 30, 2009, for which, as host, the Assistant Principal would receive free pocketbooks. The Assistant Principal acknowledged that she sold a pocketbook to one subordinate during the pocketbook party. The Assistant Principal also acknowledged that, in June 2009, she solicited and obtained a \$300 loan from a subordinate. The Assistant Principal admitted that her conduct violated the City's conflicts of interest law, which prohibits a public servant from using or attempting to use his or her position to obtain any financial gain, contract, license, privilege, or other private or personal advantage, direct or indirect, for the public servant or any person or firm associated with the public servant, and from entering into any business or financial relationship with another public servant who is a superior or subordinate of such public servant. *COIB v. Walker*, COIB Case No. 2010-165 (2011).

The Board and the New York City Department of Housing Preservation and Development ("HPD") concluded a three-way settlement with an Associate Staff Analyst who agreed to irrevocably resign from HPD for entering into a prohibited financial relationship with her subordinate, an HPD Community Assistant. The Associate Staff Analyst acknowledged that, from 2005 through January 15, 2010, her subordinate rented an apartment from her fiancé, who lived with the Associate Staff Analyst and shared household expenses during the entire time that her subordinate rented the apartment. The Associate Staff Analyst acknowledged that she assumed the role of a landlord with regard to the apartment being rented to her subordinate by co-signing her subordinate's lease along with her live-in fiancé and her subordinate, accepting the monthly rent payments from her subordinate while at HPD, and dealing directly with her subordinate concerning any issues her subordinate had with the apartment. The Associate Staff Analyst admitted that her conduct violated the City's conflicts of interest law, which prohibits a public servant from entering into any business or financial relationship with another public servant who is a superior or subordinate of such public servant. The Board issued the subordinate Community Assistant a public warning letter. *COIB v. M. Acevedo*, COIB Case No. 2010-126 (2010); *COIB v. D. Alvarez*, COIB Case No. 2010-126a (2010).

The Board fined a former Principal for the New York City Department of Education \$3,000 for supervising his live-in girlfriend, the Assistant Principal at his school, for one year and eight months. The former Principal acknowledged that this conduct violated the City's conflicts of interest law, which prohibits a public servant from entering into a financial relationship – such as cohabitation – with one's superior or subordinate and from using or attempting to use one's City position as a public servant to obtain any financial gain, contract, license, privilege, or other private or personal advantage, direct or indirect, for the public servant or any person or firm associated with the public servant. By living with the Assistant Principal, the former Principal was "associated" with her within the meaning of the City's conflicts of interest law. In a separate settlement agreement with the Board, the Assistant Principal admitted that she had violated the City's conflicts of interest law, which prohibits a public servant from entering into a financial relationship with one's superior or subordinate, for which she was fined \$1,250. *COIB v. Piazza*, COIB Case No. 2010-077 (2010); *COIB v. Cid*, COIB Case No. 2010-077a (2010).

The Board fined a Deputy Chief Administrative Law Judge (“ALJ”) at the Parking Violations Bureau for the New York City Department of Finance \$1,450 for accepting free legal representation from his subordinate, a business relationship prohibited by Chapter 68 of the New York City Charter. The Deputy Chief ALJ acknowledged that he was the superior of an ALJ in the Parking Violations Bureau who provided the Deputy Chief ALJ with free legal representation, from the winter of 2006 through the summer of 2007, in connection with his divorce, which representation included the ALJ’s attendance at two meetings at the office of the attorney of the Deputy Chief ALJ’s wife and the ALJ’s designation as the individual to receive and review a draft settlement agreement to be prepared by the Deputy Chief ALJ’s wife’s attorney. The Deputy Chief ALJ acknowledged that his conduct violated the City’s conflicts of interest law, which prohibits a public servant from entering into a business or financial relationship with the public servant’s superior or subordinate. The Board has previously stated, in its Advisory Opinion No. 92-28, that a public servant’s provision of legal representation to a superior or subordinate, even if not compensated and even if the superior and subordinate are personal friends, would be a violation of this provision of the City’s conflicts of interest law. *COIB v. Keeney*, COIB Case No. 2007-565 (2009).

The Board fined a Supervisor for the New York City Administration for Children’s Services (“ACS”) \$500 for, from March to October 2006, participating in a “sou-sou” in which three of her ACS subordinates also participated. A “sou-sou” is an informal savings club, in which the participants pay a certain amount of money to the sou-sou coordinator at regularly scheduled times. At each such time, all the money collected from the group is dispersed to one of the participants in the sou-sou. A different participant receives the dispersed amount each time until all members of the sou-sou have received the lump-sum payment. Prior to the Supervisor’s participation in the sou-sou savings club with her subordinates, the Board had issued its Advisory Opinion No. 2004-02, which states that it would be a violation of the conflicts of interest law for any public servant to enter into any sou-sou savings club with his or her superior or subordinate. The Supervisor acknowledged that by participating in this sou-sou savings club with her subordinates, she violated the City’s conflicts of interest law, which prohibits a public servant from entering into a business or financial relationship with his or her superior or subordinate. This is the Board’s first public disposition enforcing its decision in Advisory Opinion No. 2004-02, a factor that was taken into account by the Board in assessing the fine. *COIB v. Leigh*, COIB Case No. 2006-640 (2009).

The Board fined a former Captain of the New York City Police Department (“NYPD”) \$5,000 for using six subordinates to perform remodeling and landscaping work on his private residence. The former NYPD Captain acknowledged that, from in or around 2002 through 2003, he asked six NYPD subordinates to perform remodeling and landscaping work around his home and compensated some of those subordinates for their work. The former NYPD Captain acknowledged that this conduct violated the City’s conflicts of interest law, which: (a) prohibits a public servant from using or attempting to use his or her position to obtain any financial gain, contract, license, privilege, or other private or personal advantage, direct or indirect, for the public servant or any person or firm associated with the public servant; and (b) prohibits a public servant from entering into any business or financial relationship with another public servant who is a superior or subordinate of such public servant. In setting the amount of the fine, the Board took into consideration that the former NYPD Captain forfeited terminal leave valued at approximately \$37,000 as a result of departmental charges pending against him at the time of his retirement, which charges arose, in part, out of the same facts recited above. *COIB v. Byrne*, COIB Case

No. 2005-243 (2008).

The Board issued a public warning letter to a former Vice Principal at the New York City Department of Education (“DOE”) for entering into financial relationships with two of his DOE subordinates at his school. The two subordinates charged to their personal credit cards expenses in the amounts of \$525 and \$845, respectively, to enable the Vice Principal to attend a DOE-related function. The Vice Principal should have incurred these expenses personally, for which expenses he could have been reimbursed by the DOE. While not pursuing further enforcement action, the Board took the opportunity of this public warning letter to remind public servants that Chapter 68 of the City Charter prohibits a public servant from having any financial relationship with a subordinate because it creates at least the appearance that the public servant has used his or her position for personal financial gain. *COIB v. Anderson*, COIB Case No. 2007-002 (2007).

The Board and the New York City Department of Environmental Protection (“DEP”) concluded two three-way settlements with a DEP Supervising Mechanic and a DEP auto mechanic, fining them \$750 and \$460, respectively, for engaging in a prohibited superior-subordinate financial relationship. The subordinate mechanic sold a vintage Chevrolet Corvette to his superior, which the superior purchased for \$14,000, and performed a brake repair on another car owned by the superior, for which repair the subordinate was paid \$400 by the superior. The superior and subordinate DEP mechanics acknowledged that this conduct violated the City’s conflicts of interest law, which prohibits any public servant from entering into a financial relationship with his superior or subordinate. *COIB v. Marchesi*, COIB Case No. 2005-271 (2006); *COIB v. Parlante*, COIB Case No. 2005-271a (2006).

POLITICAL ACTIVITIES

- **Relevant Charter Sections:** City Charter § 2604(b)(9)

The Board fined a City Council Member \$2,000 for using City resources and personnel in connection with his 2003 City Council reelection campaign. The Council Member acknowledged that on at least one occasion, he asked a member of his District Office staff to volunteer for his 2003 City Council reelection campaign. The Council Member further acknowledged that City supplies and equipment, including a District Office computer, printer and paper, were used in his District Office for work on his 2003 City Council re-election campaign, and that he should have been aware of this use of City resources for the non-City purpose of his reelection campaign. The Council Member acknowledged that his conduct violated the conflicts of interest law, which prohibits public servants from using City letterhead, personnel, equipment, resources, or supplies for non-City purposes, and from requesting any subordinate to participate in a political campaign. The Board took the occasion of this Disposition to remind public servants that they are prohibited from using City resources, of any kind and of any amount, on campaigns for public office, and that coercing participation of any public servant in a campaign, or even just requesting the assistance of a subordinate, for any amount of time and in any fashion, on campaign-related matters violates the City's conflicts of interest law. *COIB v. Gennaro*, COIB Case No. 2003-785 (2007).

The Board and the New York City Department of Education ("DOE") fined a DOE Principal \$5000, with \$2500 payable to the Board and \$2500 payable to DOE, who sent a letter to the parents of the students at his school thanking a Council Member and a State Senator for their support of the school, and asking the parents to endorse and support these candidates in the future. The Principal acknowledged that he asked his DOE secretary to prepare this letter on DOE time, using DOE letterhead, and then directed that this letter be distributed to teachers to provide to students to bring home to their parents. The Principal admitted that this conduct violated the City's conflicts of interest law, which prohibits any public servant from asking a subordinate to participate in a political campaign, and prohibits the use of City resources, such as City personnel and letterhead, for any non-City purpose. *COIB v. Cooper*, COIB Case No. 2006-684 (2007).

The Board fined a former Vice President of Information Technology for the New York City School Construction Authority ("SCA") \$1500 who used City resources and personnel in connection with his political campaign. The former Vice President acknowledged that in 2005 he ran for election to a position as a member to the Town Board of Smithtown, New York, and that in connection with his campaign he used an SCA photocopier and SCA printer to photocopy and print campaign materials and that he requested a subordinate to review and correct an electronic file containing his signature for use on a campaign mailing. Prior to his campaign, in response to his request for advice, the former Vice President had been advised by the Board that such conduct was prohibited by the City Charter. The former Vice President acknowledged that his conduct violated the conflicts of interest law, which provides that public servants are prohibited from using City letterhead, personnel, equipment, resources, or supplies for non-City purposes, and are prohibited from requesting any subordinate to participate in a political campaign. The Board took the opportunity to remind public servants that they are absolutely prohibited from the use of City resources, of any kind and of any amount, on campaigns for public office, and that the assistance of a subordinate, for any amount of time and in any fashion,

on campaign related matters violate the City Charter. *COIB v. Cantwell*, COIB Case No. 2005-690 (2007).

The Board and the New York City Department of Sanitation (“DSNY”) concluded a three-way settlement with a former DSNY Assistant Commissioner for running a private travel agency and for working on the 2001 Hevesi for Mayor campaign, both on City time and both involving the Assistant Commissioner’s subordinates. The former DSNY Assistant Commissioner acknowledged that while he was Assistant Commissioner, he owned a travel agency and sold airline tickets to at least 30 DSNY employees while on City time, including to his superiors and subordinates, and also distributed promotional materials for his travel agency to DSNY employees, including to his superiors and subordinates, while on City time, in violation of the City’s conflicts of interest law, which prohibits any public servant from pursuing private activities during times when that public servant is required to perform services for the City and prohibits a public servant from entering into a financial relationship with his superior or subordinate. The former DSNY Assistant Commissioner further acknowledged that he made campaign-related telephone calls for and recruited subordinates to work on the Hevesi for Mayor Campaign in 2001, in violation of the City’s conflicts of interest law, which prohibits a public servant from pursuing private activities on City time and from using City resources, such as the telephone, for a non-City purpose, and also prohibits a public servant from even requesting any subordinate public servant to participate in a political campaign. The Board fined the former Assistant Commissioner \$2000. *COIB v. Russo*, COIB Case No. 2001-494 (2007).

The Board fined the Cultural Affairs Commissioner \$500 for holding a political fundraiser in his home for Fran Reiter, then a candidate for Mayor, and inviting guests who had business dealings with his agency or the City. The fine took into account that Chapin believed he had sought legal advice and had been advised incorrectly that the fundraiser was legal. Agency heads are not permitted to request any person to make political contributions to any candidate for elective office of the City. *COIB v. Chapin*, COIB Case No. 1999-500 (2000).

SOLICITING POLITICAL CONTRIBUTIONS

- **Relevant Charter Sections:** City Charter § 2604(b)(11)

In a three-way disposition among a school principal, the Conflicts of Interest Board, and the Board of Education, the Conflicts of Interest Board fined a former principal \$2,500 for selling tickets to a political fundraiser to a subordinate teacher during school hours and on school grounds, in violation of Charter § 2604(b)(11)(c), which prohibits a superior from even requesting subordinates to make campaign contributions. *COIB v. Rene*, COIB Case No. 1997-237 (2000).