

NEW YORK CITY LAW DEPARTMENT
OFFICE OF THE CORPORATION COUNSEL

Zachary W. Carter, *Corporation Counsel*

Press Release

nyc.gov/law

For Immediate Release

**City to Recoup \$1.4 Million in Settlement of Civil Suit
Against School Custodial Staff that Defrauded DOE**

***SCHEME INVOLVED CUSTODIAL STAFF AT ROOSEVELT & TRUMAN HIGH SCHOOLS IN THE
BRONX CREATING “NO-SHOW” JOBS & USING SCHOOL FUNDS TO RENOVATE PERSONAL
RESIDENCES***

Contact: Law Dept: Kate O'Brien Ahlers / Nick Paolucci, (212) 356-4000, media@law.nyc.gov
Office of the Special Commissioner of Investigation: Regina Romain, (212) 510-1479

New York, February 11, 2014 – Corporation Counsel Zachary W. Carter and Richard J. Condon, Special Commissioner of Investigation for the New York City School District (SCI), announced today a \$1.4 million settlement of a civil lawsuit brought by the City of New York and the Department of Education (DOE) against six former New York City school custodial employees for defrauding DOE.

The settlement reflected the “treble damages” – a tripling of the amount of damages allowed by law -- under the federal Racketeer Influenced Corrupt Organization (RICO) statute and the New York City and State False Claims Acts. The suit, *City of New York v. Trifon Radeff et al*, 11-cv-5770, has been pending before Judge Naomi Reice Buchwald in the Federal District Court for the Southern District of New York.

The defendants were two New York City School Custodians and their employees who defrauded the New York City DOE of hundreds of thousands of dollars intended for school maintenance and safety.

Corporation Counsel **Zachary W. Carter** said: “The trebling of damages reflects the seriousness of defrauding the City and is intended to discourage such conduct in the future. We will aggressively pursue anyone who steals the taxpayers’ hard-earned dollars.”

Richard J. Condon, Special Commissioner of Investigation for the New York City School District said: “SCI is grateful to the Office of the Corporation Counsel for aggressively pursuing the civil recovery of more than \$1 million in public funds stolen from the DOE. The criminal scheme is detailed in an SCI report issued on April 5, 2011, which is available on the SCI website.”

In a scheme orchestrated by Trifon Radeff, School Custodian from 2005 to 2011 at Roosevelt High School in the Bronx, Radeff and Nicanor Fernandez, the School Custodian at Truman High School in the Bronx from 2002 through 2010, placed “no-show” employees on the custodial payrolls of their schools. They also had actual custodial employees submit payment requests for work they did not perform. The employees kicked-back the lion’s share of their illicit earnings to Radeff, who distributed some of the funds to Fernandez. Radeff, who died in 2011 shortly after his arrest by federal authorities, also operated a separate scheme in which custodial employees were paid for work performed in renovating houses that Radeff owned in Queens.

The schemes were uncovered and extensively investigated by SCI following complaints from school custodial employees.

In addition to Radeff and Fernandez, the defendants in the City's civil case were James Coppola, a handyman at Intermediate School 25 in Queens from 2005 through 2011, Frank Chambers, senior lunch helper at JHS 158 in Queens from 1996 through 2011, Michael Cunningham, a custodial fireman at Public School 158 in Queens from 1990 through 2011, and Morris Hampton, a cafeteria workers at JHS 158.

All the defendants other than Radeff, whose prosecution ended when he died, and Hampton, who was not prosecuted, have pleaded guilty to federal fraud charges and are paying restitution to the City as part of their sentences. The restitution total is \$351,900. In addition, the Radeff estate has resolved the City's claims against Radeff and is paying \$1 million. Fernandez is also making an additional payment to the City of \$50,000.

The New York City Law Department is one of the oldest, largest and most dynamic law offices in the world, ranking among the top three largest law offices in New York City and one of the largest public law offices in the country. Tracing its roots back to the 1600's, the Department has an active caseload of 80,000 matters and transactions in 17 legal divisions. The Corporation Counsel heads the Law Department and acts as legal counsel for the Mayor, elected officials, the City and all its agencies. The Department's over 700 attorneys represent the City on a vast array of civil litigation, legislative and legal issues and in the criminal prosecution of juveniles. For more information, please visit nyc.gov/law.

###