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Department of Investigation

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Remarks of DOI Commissioner Jocelyn E. Strauber
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Thank you, Dean Crowell and Prof. Sandler.

It is an honor to be here today at New York Law School. This institution has a unique relationship to City government service, both through the courses that you offer and the many current and former City officials who work and teach here, including DOI's Deputy Commissioner and General Counsel Andrew Brunsten, who serves as an Adjunct Professor and is here with us this morning. The Law School has inspired generations of students to careers in public service, and I'm particularly proud to say that many alums are members of the DOI team, serving on our executive staff, supervising our investigative squads, conducting investigations, and providing wise counsel on legal issues. Several of them are here today as well.

I have served as DOI Commissioner since February 2022. While this is my first time in City government, it is for me a welcome return to public service, and I am grateful to have been given the opportunity to have a positive impact on the City I love -- where I was born and raised and have lived nearly my entire life. My husband and I count among our greatest accomplishments that our two children, one in high school and one in college, are die hard New Yorkers.

In my professional life I have moved between public service and private practice -- from law enforcement to defending clients facing government investigations, and now back again. I would like to say that I planned this path and that I knew a legal education would provide a foundation for meaningful engagement in the public and private sectors, but in truth I really lucked into it. I had a good role model for a fulfilling legal career in New York City -- my father who has practiced litigation here for over 60 years and counting -- and as a college English major, law school seemed like a natural continuation of my liberal arts education.

I realized in my first year of law school that I had a deep interest in criminal law -- and in particular a curiosity about those who don't play by the rules, and why not, and what we as a society can do about that. Early on in my career I found that I had a love for the investigative process -- for finding facts, reconstructing past events in a careful and thoughtful way to come as close as possible to determining what occurred and in what context. A passion for that work has been the common thread throughout my career and it has provided me with a variety of opportunities to make a contribution and, I hope, to make a difference.

While I found challenging work and wonderful colleagues and clients in private practice as a criminal defense lawyer, it has been my experience, and I think I am not unique in this, that public service

provides unparalleled opportunities for attorneys to do important and meaningful work that positively impacts their communities and beyond.

And that is because the guiding principle in public service is to do the right thing, for the right reasons, every day. As some of you may know, that is the ethic of the U.S. Attorney's Office for the Southern District of New York, where I was a prosecutor for over 8 years. The Office really shaped how I think about the investigative process and the practice of law, and set a standard that I strive to meet and to uphold to this day.

One of the key lessons for me was that to uphold that standard – to do the right thing -- you must be fair, you must be independent, and you must be guided entirely by the facts and the law. And to do that, you must be rigorous in your assessment of information that you think you know, questioning what you might be missing and looking at a situation from all sides. You must test not only your theories, but your assumptions and your biases, of which you may not be fully aware. Without that rigor you cannot seek the truth, and you cannot pursue justice.

This measured approach is particularly important in law enforcement, where the conclusions we reach and the cases that we bring have a profound and immediate impact on people's lives. We must guard against a drive to reach any particular outcome, which can lead investigators to dismiss evidence at odds with their initial suspicions, rather than to follow the evidence where it leads. Law enforcement does not always get it right, even with the best of intentions. I learned that as a prosecutor, and I also saw that as a defense attorney, both early in my career and more recently in the eight years I spent in private practice before coming to DOI.

These lessons guide me every day – in our criminal investigations, where liberty is at stake, in the reports where we make and publicize findings about the conduct of City officials and agencies, and parties who contract with them, and in publicly issued recommendations where we propose that agencies implement reforms.

Today I want to speak with you about DOI's anti-corruption mission and how we approach our work, share a brief history of the agency and then give some examples of our investigations and our policy and procedural recommendations that I hope will illustrate the important contribution that we make to the City.

DOI is unique among law enforcement and oversight institutions in two ways – the breadth of our oversight and our statutory-protected independence. I'll say more about this in a moment, but I want to be clear at the outset that independence is not isolation. First, our mandate and jurisdiction are extremely broad – the New York City charter authorizes the DOI Commissioner, among other responsibilities, "to make any study or investigation which in her opinion may be in the best interests of the City, including but not limited to investigations of the affairs, functions, accounts, methods, personnel or efficiency of any agency." This scope of this mandate and the deep expertise of the career Inspectors General and their teams give DOI the authority and the obligation to hold public officials accountable, to improve City government, to protect its resources, to improve agency practices and operations for the benefit all New Yorkers, in particular those who are dependent on City government for day-to-day services and support. And in doing that work as a City government institution, we make clear to the public that their City government values integrity, transparency and efficiency – that is to say, good government. I want to be clear that good government requires, and it is DOI's obligation to pursue, accountability of public officials at every level, because no one is above the law. As many of you are no doubt aware, DOI is currently involved in investigations of senior City officials and employees, the kinds of investigations we have always done, throughout our history. For obvious reasons, I won't discuss the details of those inquiries today. But I want to be clear that these investigations are among our most important responsibilities.

Second, while a Mayoral agency that is part of City government, DOI also is simultaneously independent of City government. That independence is critical to our ability to fulfill our mandate, and it is protected not only by existing norms, but by City Law. For example, the DOI Commissioner must be confirmed by the City Council and can be removed only with a public statement of reasons by the Mayor, to which the Commissioner can publicly respond. In addition to its subpoena power, DOI is authorized by

statute to obtain any City records, documents or other information for use in its investigations, and can compel interviews of City employees and some City vendors. Other than formal referrals for investigation, which may be made by the Mayor and the City Council, and which are relatively rare, our investigative priorities are set by our agency – by our Executive Staff and career Inspectors General – and not by City Hall. I do not report on interim findings or other developments in DOI's investigations – whether administrative or criminal – to City Hall or the relevant City agencies. DOI responds to press inquiries and speaks to the public about our work without review or approval of City Hall.

As I noted, DOI does not, and should not, be an island in order to provide effective independent oversight. By that I mean we should not as a general matter, be inaccessible to or unwilling to engage with the agencies that we oversee or with senior staff at City Hall. Rather, our oversight functions best when we have a collaborative approach with agency leadership, who know their agencies best and can be well-positioned to flag risk areas for DOI's review, and when our colleagues at City agencies share the goals of integrity, efficiency and transparency. Of course, if an agency doesn't share those goals – or if it is a target of an investigation at senior levels– we will adjust the level of collaboration accordingly. And in all events, collaboration does not mean surrendering our independent judgment and decision-making with respect to our findings or the content of our reports and recommendations. It does mean providing the relevant agencies the opportunity to review final reports and recommendations before they are issued for awareness of the issues we have identified and to provide feedback. It means that we seriously considering that feedback – and City Hall feedback, if any -- particularly as to the accuracy of factual information we have included about agency operations and as to the feasibility of our recommendations. Whether and how we incorporate that feedback in the reports and recommendations that we issue, of course, is DOI's decision.

Collaboration with our prosecutorial and other law enforcement partners also is a key component of DOI's approach. When we conduct investigations that may involve criminal conduct, we will reach out to the appropriate prosecutor's office early and often, and we will work together, as full partners, on the investigation. We do this to ensure that evidence we gather will be admissible as a matter of law, and also because in my experience the strongest cases, from a factual perspective, are built with the input of the prosecutors who ultimately will charge and try them. Collaboration therefore ensures that we are using our limited investigative resources efficiently. And our input is critical to cases involving City officials and employees because of our unique perspective and knowledge of City government, as well as our statutorily mandated access to documents. When we conduct criminal investigations, grand jury and other confidentiality restrictions generally prevent us from sharing information with the relevant agency as the investigation proceeds. But if we learn of public safety issues, or risks to City resources, or other issues that in our view require urgent attention, we will work with our law enforcement partners to determine what information can be shared so that agencies can protect public safety and limit those risks, while maintaining the confidentiality of the investigation.

Finally, as a City agency with a broad mandate to improve City government, DOI has an obligation to do more than investigate cases and pursue criminal charges where warranted. Oversight functions best when it is comprehensive, meaning that DOI not only pursues criminal charges – or administrative discipline – against a specific wrongdoer where warranted, but also makes policy and procedural recommendations to the relevant agency or agencies to reduce the risk that such wrongdoing will re-occur or go unnoticed, and then follows through with the relevant agency to press for implementation of those policy or procedural changes. We make those recommendations in formal written referrals, but also in less formal communications with agencies in real time, depending on the nature of the issue. Where the alleged wrongdoing and the recommendations are of great public interest or have widespread public impact, DOI may also issue a public report that provides more details about the investigation and the recommendations that we have made. Our other responsibilities, including serving as an investigatory arm of the City's Conflicts of Interest Board, conducting background investigations of candidates for certain City positions, and supervising integrity monitorships of City vendors and large-scale City projects are also important components of our oversight mission.

In all these ways, DOI promotes and supports good government in New York City.

DOI's History

As some of you may know, DOI was founded in 1873 in the wake of the massive corruption scandal of William "Boss" Tweed who, with other senior City officials, engaged in a kickback scheme that cost New

York City billions in today's dollars. Tweed, and others, controlled access to City contracts for massive projects such as the downtown "Tweed Courthouse" and they demanded and received bribes from City vendors in exchange for awarding those contracts. The bribes drove up the cost of those projects to the City, and called for two sets of books – one reflecting the public cost of the projects and one reflecting their true cost and the bribe payments.

When a City employee from the Comptroller's Office exposed Tweed's misconduct by sharing those records with several newspapers, the resulting public outrage led to the creation of an independent agency empowered to investigate corruption anywhere in City government. In 1873, that agency, the precursor to DOI, was called the Office of the Commissioners of Accounts. The new department was given subpoena power and the power to take testimony under oath.

As its early name suggests, the Commissioners – and their staff of seven – were intended to ensure that the City kept accurate financial statements, as a means to prevent fraud. Over the years DOI's legal authorities and headcount expanded, but its fundamental mission to prevent fraud and abuse endures.

Today's DOI is an agency of Inspectors General, investigators, attorneys, auditors, data and policy analysts, digital forensic experts, information technology experts, and administrative staff. We are made up of 10 units, each headed by one or two Inspectors General. Each unit oversees specific agencies, generally grouped by function, such as the Department of Correction and Department of Probation, agencies that handle City buildings and housing, and agencies with uniformed personnel such as the Fire and Sanitation departments. We have a unit dedicated to oversight of the operations, policies and programs of the New York Police Department ("NYPD") and a vendor integrity unit that oversees our integrity monitorship program.

To this day, the media continues to play an important role in uncovering potential corruption and raising legitimate concerns about how the City operates. DOI of course closely monitors public reporting on the City and that reporting can inform our investigations. And we strive to be as transparent with the public as we can about our work, while maintaining confidentiality of the ongoing investigations we do.

DOI opens investigations from complaints that we receive by phone, email, from our website or in person, via individual Inspector General Offices, referrals from City agencies and other law enforcement, and media reports. In 2023, we received more than 14,000 complaints. DOI also conducts proactive investigations, including through the use of analysis of City data to identify red flags that may indicate fraud or abuse.

The Power of DOI's Comprehensive Approach

As I explained, DOI's approach is comprehensive, meaning that our investigations often result not only in criminal charges or administrative discipline, but also in policy and procedural recommendations to reform the functions of City agencies. Our recommendations can have particular force when they are announced simultaneously with a criminal prosecution, although we are in a constant dialogue with the agencies that we oversee and we don't wait until such announcements to identify areas where change is needed. The reality is that criminal charges, as well as in-depth public reports, generate attention and can prompt policy change that an agency might not otherwise prioritize. Ultimately, whether or not to implement DOI's recommendations is an agency's decision and the agency, and by extension to City Hall, must balance our proposals (and the resources they require) against the agency's other priorities. City agencies may decline to accept our recommendations, but that choice may leave corruption risks unchecked.

The announcement of the arrests of 70 current and former employees of the New York City Housing Authority on bribery and extortion charges by the U.S. Attorney's Office for the Southern District of New York and DOI's simultaneous issuance of 14 recommendations to NYCHA for reform in February of this year is one example of the success of DOI's comprehensive approach.

The defendants were charged with allegedly accepting cash payments from contractors in exchange for awarding NYCHA contracts. The conduct alleged was widespread, touching every borough of New York City and nearly one-third of NYCHA's 335 housing developments. As charged, the defendants exploited the no-bid process for goods and services under \$10,000, commonly referred to as micro-purchases. That no-bid process, handled at the housing development level, was intended to ensure swift

completion of necessary lower-cost construction and maintenance work in the NYCHA developments. Instead, the charged conduct drove up the cost of this kind of work and diverted valuable public funds away from public housing and into the pockets of corrupt NYCHA staff.

DOI's 14 recommendations focused on reform of the micro-purchase process to protect it from abuse, and NYCHA agreed to implement all of them. Now, DOI had made several of the recommendations in 2021, following three bribery prosecutions involving NYCHA procurement, and NYCHA had not accepted them at that time. In particular, DOI had recommended that the micro-purchasing power be removed from the housing development level and transferred to specialized, centralized staff with the necessary expertise. NYCHA rejected the recommendations in favor of other changes intended to reduce the risk of bribery while maintaining the original purchasing structure. DOI's recommendation called for a significant shift in that structure, which in NYCHA's view could delay the repair and construction process.

We could not have known in 2021 that three years later our investigations would lead to the largest single number of bribery takedown in the history of the U.S. Department of Justice. But our recommendations, based on our extensive experience, always represent our best judgment about the necessary and most efficient steps to reduce the risk of corruption. And this case provides a clear illustration of the dangers of declining to implement those recommendations.

Another recent criminal investigation that DOI conducted with the Manhattan District Attorney's Office, with the assistance of the Department of Buildings, resulted in the indictment of a construction safety training school on charges that it sold fraudulent safety certifications without providing the required training, as well as charges against brokers who allegedly conspired with the school to obtain these sham certifications.

Together, these defendants allegedly facilitated the evasion of New York City's construction safety training requirements, which are intended to protect workers and all New Yorkers in proximity to construction sites. As charged, a construction worker purportedly trained by the school, including with respect to fall protection, who in fact did not receive safety training, was killed when he fell from the 15th floor of a building under construction.

The investigation revealed several ways in which the Department of Buildings could improve its oversight of these safety training schools and DOI made policy and procedural recommendations to DOB in connection with the charges in this case. Some of those recommendations will require legislative and regulatory changes to increase DOB's authority over the safety training schools, and DOI recommended that DOB seek those changes. DOI also recommended that DOB enhance its Training Compliance Unit, including by hiring additional personnel. DOB recognized the value of DOI's recommendations, and agreed to implement all of them, with the caveat that they would need additional budgetary support to do so.

DOI also issues public reports on a wide variety of matters that may not involve criminal conduct but have City-wide relevance or are otherwise of significant public interest. Reports can inform the public about matters that may not be fully understood, offer a window into DOI's investigative findings and explain the basis for our recommendations. Like criminal cases, DOI's public reports generate media interest and the existence of a public report can incentivize agencies to accept DOI's recommendations.

Beginning several years before I arrived at DOI, our Office of the Inspector General for the NYPD undertook an examination of the NYPD's criminal gang database – a repository of information concerning individuals that the NYPD believed to be gang-affiliated. That investigation was promoted by significant public concern about the nature, use and implications of inclusion in the database. Community and advocacy groups called for the database to be abolished by local legislation, asserting harm to individuals who were labeled, often incorrectly, as gang affiliated. The NYPD defended the database as a necessary law enforcement tool, noting among other things that database had been substantially reduced in size, and subject to other changes, since DOI's investigation began in 2018.

The 2023 DOI gang database report, consistent with the practices I have discussed, stuck closely to the facts found in our investigation. First, we were able to provide the public with detailed demographic information about the individuals included in the database, NYPD's policies for determining whom to include and the documentation of and periodic review of inclusion determinations, as well as how NYPD uses the information in the database. Second, we conducted an in-depth analysis of 1200 documents that purported to support 500 individuals' inclusion in the database. We found that NYPD failed to provide sufficient guidance about the criteria for including an individual in the database, and that in some cases, NYPD did not follow its own procedural requirements, and did not maintain adequate documentation, supporting its inclusion determinations.

We also considered the claims of legal advocates that being included in the database had significant negative impacts on their clients, as well as media reports and other claims of harm. Because we were not able to substantiate that the harm those individuals suffered flowed from their inclusion in the database, we were unable to identify a relationship between inclusion and individual adverse outcomes. Our report acknowledged, however, that harm may not be readily determined in this context, and that the existence of the database did cause fear in certain communities, and thereby decreased public confidence in the NYPD and strained police and community relations.

Based on our findings we recommended 17 reforms to NYPD's practices relating to the gang database; we did not recommend that it be abolished. We proposed strengthening written policies and regulations surrounding the inclusion, renewal and removal of individuals in the database, a review of each entry to confirm that inclusion is still warranted, and the establishment of policies specific to the inclusion of minors in the database, including parental notification.

Advocacy groups, with whom we met after we issued the report, expressed frustration and disappointment with many of our findings and conclusions; the NYPD accepted 11 of our recommendations, rejected 5 and one remains under consideration. It is often the case that when we complete an investigation of significant public interest the relevant agency asserts that some of our recommendations are unreasonable, or go beyond what is necessary, while other stakeholders claim that we have not gone far enough. And that's fine. Indeed those reactions may be indicators that we've done exactly what we should. As I've made clear, our only job is to find the facts in a fair and rigorous way, and to use our best judgment to determine the policy and procedural changes, if any, that the facts support.

Why DOI's Mission is Important

I appreciate the opportunity to speak with you today about the importance of the work that we do at DOI. I think it is fair to say that we are in unprecedented and unnerving times in our city, our country and the world. There is a lack of trust in government, fueled by deep division on fundamental issues, a notable absence of civility in public discourse, and an unwillingness to grapple honestly with the facts.

I am therefore particularly grateful to be in this role, and to work with our career Inspectors General and their teams to conduct objective, fair and rigorous investigations that follow the facts, and that ultimately seek to hold public officials and employees, as well as institutions, accountable, to protect public resources, and to propose improvements to policy and procedure that promote good government. DOI has the independence and the authority necessary to do this work effectively and we have only one agenda – to improve City government, so that it can better serve all New Yorkers.

Thank you.

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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