



The City of New York
Department of Investigation

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Release #60-2008
nyc.gov/html/doi

FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 2, 2008

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DOI ENDS FISCAL YEAR 2008 WITH RECORD HIGH NUMBER OF ARRESTS
--Complaints, caseload and financial recoveries also top stats from previous fiscal year--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today that the agency made 667 arrests in fiscal year 2008 (July 1, 2007 – June 30, 2008), nearly doubling the number from the previous fiscal year. The agency's arrest statistics echo a significant upward trend for other key performance markers including: financial recoveries, complaints received, caseload, corruption prevention lectures conducted, and policy and procedure recommendations made and implemented.

In fiscal year 2008 ("FY 2008"), DOI:

- Arrested 667 individuals (101 City employees and 566 non-City employees), an 81% increase from the previous fiscal year in which DOI arrested 368 individuals, and a 145% increase from 2002 when there were 272 arrests.
- Conducted 669 corruption prevention lectures throughout New York City agencies, a 21% increase over last fiscal year when 551 were conducted, and significantly higher than the 135 lectures conducted in fiscal year 2002, the year the organized lecture program began.
- Recovered in excess of \$700 million on behalf of the City and other victims due to agreements and orders of restitution, fines, forfeiture and other financial recoveries from cases investigated by DOI.
- Issued 463 written Policy and Procedure Recommendations ("PPRs"), a 46% increase over the previous fiscal year when 317 were issued. A PPR describes the operational weakness that permitted the waste or corruption, and recommends necessary changes.
- Completed 7,598 Vendor Name Checks ("VNCs"), approximately a 12% increase over the previous fiscal year when 6,760 were completed. A VNC is required under the City's procurement rules to facilitate a City agency's determination of a prospective vendor's responsibility.
- Received 13,762 complaints, a 7% increase over last fiscal year, and a significant jump since fiscal year 2002, when DOI received 8,840 complaints. Likewise, DOI's caseload of active investigative cases reached 2,479 in FY 2008, an increase of 21% over the previous fiscal year when the caseload was 2,045.

DOI Commissioner Rose Gill Hearn said, "These statistics demonstrate the expertise, diligence and resourcefulness that DOI's staff bring to each and every investigation. They also represent DOI's unique and dual role as the law enforcement agency that roots out corruption in City government: DOI doesn't just slap handcuffs on wrongdoers but also finds ways to protect City taxpayers from future waste by identifying and offering ways to fix the gaps we uncover in our investigations."

Among those DOI arrested last fiscal year were more than 200 individuals arrested on outstanding warrants for failure to appear in court to answer Fire Code violations, numerous individuals charged by federal prosecutors as a result of a racketeering and construction industry investigation, individuals who tried to evade City regulations by bribing City employees; City employees who accepted bribes; and individuals who used deception to garner precious tax-funded housing benefits they were not entitled to receive. Press releases on arrests resulting from DOI cases can be found at the following link: <http://www.nyc.gov/html/doi/>.

Other significant accomplishments during FY 2008 include:

- DOI's arrest of seven correction officers in separate cases on charges of taking bribes in exchange for smuggling contraband into the City's jails.
- DOI arrested 15 individuals on charges of paying bribes and giving unlawful gratuities to DOB inspectors cooperating with DOI or DOI undercovers. Bribes were offered to avoid violations and unlawfully obtain professional licenses. These cases resulted from tips DOI received from DOB.
- DOI cases led to approximately \$706 million in financial recoveries, including \$679 million from the top officers of a now-bankrupt healthcare company involved in a massive corporate fraud scheme. Other significant financial recoveries included \$6.12 million recouped in the case of Natarajan "Raju" Venkataram, the former computer director at the City Office of the Chief Medical Examiner (OCME), who embezzled funds from OCME; defendant Judith Leekin's agreement, as part of a plea, to forfeit the \$1.68 million in adoption subsidies she received in an adoption fraud scheme involving disabled children; and former City employee, Raimma Tagiev, and her husband, Yan Blinder, who were ordered to repay the City \$2.5 million taken during a mail fraud and money laundering scheme.
- DOI's corruption prevention lectures serve as a deterrent and also as a way to encourage attendees – City employees and those doing business with the City – to report corruption to DOI. In fact, one of the successes of the program includes DOI's receiving tips soon after the lectures are given; some of these tips have resulted in significant criminal cases, such as the investigation, arrest, conviction on corruption charges and sentencing of former Assemblywoman Diane Gordon.
- DOI has continued its mission in FY 2008 to protect the City from wrongdoing and uncover malfeasance by embarking on several major investigations, including the fatal fire at the former Deutsche Bank building at 130 Liberty St., and the crane collapses on East 51st and 91st Streets (DOI arrested two DOB inspectors as a result of its investigations into the crane collapses). DOI is working with the Manhattan District Attorney and other agencies on those investigations. In addition, DOI is working with the United States Attorney for the Southern District of New York on the investigation into discretionary funding irregularities at the City Council.
- Policy and Procedure Recommendations ("PPRs") highlight DOI's goal of remedying the corruption vulnerabilities within City agencies that are exposed by DOI's investigations. They are one of the vehicles in which DOI makes an impact beyond pursuing criminal charges. In 2007, DOI began a project to ensure that the PPRs issued to other City agencies by DOI since 2002 had been implemented or addressed by such agencies. To date, 820 of the 1,342 PPRs issued since 2002 have been implemented.
- A centralized unit within DOI completes Vendor Name Checks ("VNCs"). Each VNC generates multiple name checks because a vendor can have one or more business entities and several principals. In FY 2008, DOI completed a total of 64,227 name checks, a nearly 14% increase over the prior fiscal year.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. 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.

***Get the worms out of the Big Apple.
To report someone ripping off the city, call DOI at (212) 825-5959.***