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DOI CLOSES OUT FISCAL YEAR 2011 WITH 789 ARRESTS
-Investigations by City's Watchdog leads to high-impact arrests and financial recoveries-

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), released today the agency's fiscal year-end report capping a 12-month period (July 1, 2010 to June 30, 2011) that showcases the agency's agility at balancing high-impact cases while also exposing and stopping corruption in a host of other arenas. These numbers reflect DOI's broad docket and wide-ranging role within City government. The agency's three-pronged approach – educating employees of their obligation to report corruption, rooting out fraud against the City, and identifying corruption vulnerabilities so City agencies can close those gaps – has led to a variety of cases and results, from large-scale corruption probes uncovering unparalleled fraud schemes against the City to enforcement sweeps that assisted fellow City agencies in remedying safety code violations, and significant financial recoveries.

Since Fiscal Year 2002, DOI has experienced significant increases in key areas. Raising DOI's profile and reinforcing its independence has resulted in a 51% increase in tips and complaints received, and triple the number of arrests in FY 2011, or 789 arrests, a 189% increase from 273 arrests in FY 2002.

DOI Commissioner Rose Gill Hearn said, "These statistics quantify the hard work by DOI's team of investigators, auditors, and attorneys that unfolded during this fiscal year: the millions of dollars in fraud uncovered and stopped; the individuals who took taxpayer funds held accountable; and the recommendations shared with fellow City agencies that strengthened operations. As the City's watchdog, DOI investigators are a tireless force in a City that never sleeps."

In Fiscal Year 2011 DOI:

- Arrested 789 individuals: 715 members of the public and 74 City employees.
- Completed 1,166 investigations and 848 of those cases had substantiated findings. The number of substantiated cases in FY 2011 represents nearly 73% of the investigations completed.
- Presented 444 corruption prevention lectures, educating City employees and those who contract with the City about their obligation to report corruption and the protections when they do.
- Fielded more than 13,300 complaints and managed a caseload of nearly 2,000 investigations.
- Completed more than 57,700 Vendor Name Checks pertaining to vendors who are seeking to do business with the City, ensuring that agencies are armed with the facts to select responsible vendors.

Notable DOI cases and initiatives over the past fiscal year include:

- Uncovering the unprecedented, multi-million fraud involving the CityTime project, which has led, so far, to the charging of 11 individuals and one corporation, two guilty pleas, the return of \$2.5 million to the City coffers, and the identification, seizing and / or freezing of approximately \$50 million.

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- As part of a \$5 million agreement with DOI, Bovis Lend Lease has paid \$3.2 million to date to compensate the City for overcharges on construction projects; and Schiavone Construction has paid nearly \$540,000 to reimburse DOI for the cost of doing its investigation into a public works hiring fraud involving the company.
- Enforcement sweeps with the Fire and Buildings departments to remedy languishing safety code violations, leading to more than 170 arrests resulting in the remediation of the safety violations at issue in those cases, and tens of thousands in fines ordered.
- Stopping an elaborate day care fraud ring involving corruption in three City agencies and resulting in the shuttering of more than 20 day care centers due to safety violations, nine guilty pleas, and federal prison sentences for two defendants so far.
- Exposing an \$8 million food stamp fraud that led to the arrest of four individuals, including two City employees.
- The arrest of former City Councilman Hiram Monserrate on charges of abusing discretionary funds to support his political campaign.
- More than a dozen bribery arrests and prison sentences in a range of cases, including:
 - Based on tips from City employees, DOI arrested restaurant owners, homeowners, and contractors charged with offering cash payoffs to individuals they believed were City inspectors who could help them evade health and building code violations. In fact, these “inspectors” were undercover DOI investigators.
 - A City Correction Officer was charged with soliciting a bribe from a Rikers Island inmate by claiming he could secure the inmate’s release in exchange for cash or drugs.
 - A former NYCHA construction project manager was charged in March 2011 with soliciting a bribe for approving a contractor’s brick and repointing work.
 - A former ACS project manager was sentenced to a year and a day in federal prison for accepting bribes to assist principals of a design and construction company with obtaining construction contracts for ACS child care facilities.
 - A construction worker was sentenced to six months of weekends in jail for bribing a DOI undercover investigator in a failed attempt to obtain a City crane license.
- Housing tenant fraud cases that resulted in more than 75 arrests associated with more than \$1.8 million in theft. Most importantly, those fraudsters displace citizens who need and are awaiting precious public housing. Thus, these cases remove people not eligible so that people in need can gain housing for their families. Since 2002, DOI has arrested more than 640 individuals on tenant fraud charges and uncovered the theft of more than \$13 million in housing benefits.
- The release of a comprehensive report detailing whether there was a work slowdown during the December 2010 blizzard clean-up. DOI found no actual evidence of an organized slowdown. The City did face serious problems with the cleanup, many of which were discussed in the report.
- Results from DOI’s frontline efforts in uncovering and stopping mortgage fraud, which led to two defendants facing significant prison times. One defendant was sentenced to 10 years in prison for his role in the theft of more than \$600,000 in mortgage funds and, in a separate case, a second defendant was sentenced to between three and nine years in prison for deed theft and attempted mortgage fraud.

- Addressing corruption vulnerabilities found during DOI investigations by issuing more than 2,440 policy and procedure recommendations to City agencies since 2002, with most being implemented.
- Results from DOI's not-for-profit / discretionary funding investigations continue. This fiscal year a prison term was imposed for a former program director of a Medicaid-funded home attendant service who was also ordered to pay more than \$800,000 in restitution.

Criminal complaints and indictments are accusations. Defendants are presumed innocent until proven guilty.

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.

DOI's press releases can also be found at twitter.com/doinews
Get the worms out of the Big Apple. To report someone ripping off the City, call DOI at (212) 825-5959.