



The City of New York
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DOI ARRESTS CONTRACTOR CHARGED WITH SUBMITTING PHONY BONDS TO THE CITY

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today DOI's arrest of a contractor charged late Tuesday, March 8, 2011, with submitting forged bonds and other insurance documents to three City agencies to make it appear that his company had obtained the necessary bonds and insurance for contracts it obtained or sought from the agencies. DOI investigated after the New York City Housing Authority ("NYCHA") reported an irregularity in a bid bond the company submitted in 2010, and the investigation revealed the additional forgeries. The office of New York County District Attorney Cyrus R. Vance, Jr., is prosecuting the case.

CLIFF SHEAN, 51, the President and owner of United Contractor & Developer Inc. ("United") of Flushing Queens, has been charged with six counts of Criminal Possession of a Forged Instrument in the Second Degree, a class D felony, and three counts of Offering a False Instrument for Filing in the First Degree, a class E felony. Upon conviction, a class D felony is punishable by up to seven years in prison and a class E felony is punishable by up to four years in prison.

DOI Commissioner Rose Gill Hearn said, "Bonds and insurance are obligatory on City jobs to ensure that bidders are qualified and taxpayers are protected. Forging certificates to shirk these requirements and shave expenses is bad business that exposes the responsible individual to arrest and criminal penalties."

According to the criminal complaint, DOI initiated an investigation in 2010 after NYCHA reported that the bid bond that United, through SHEAN, had submitted with a bid to install smoke detectors in NYCHA buildings could not be verified. DOI found that the insurance company that purportedly issued the bond and a power of attorney had not issued or authorized either document. (NYCHA rejected United's bid because the company lacked an electrical license needed for the work.)

As outlined in the criminal complaint, DOI also examined the bonds and related insurance documents that SHEAN had previously submitted to two other City agencies in connection with United's contracts and found additional forgeries. Specifically, DOI found, in 2008, SHEAN submitted a forged broker's certificate and a certificate of liability insurance for a \$555,000 plumbing contract with City Human Resources Administration ("HRA") and a forged payment bond, performance bond, and power of attorney to the City Department of Small Business Services for a \$1.2 million contract to perform roofing and masonry work at the Brooklyn Navy Yard.

Commissioner Gill Hearn thanked New York County District Attorney Cyrus R. Vance, Jr., NYCHA Chairman John B. Rhea, HRA Commissioner Robert Doar, and SBS Commissioner Robert W. Walsh, and their staffs, for their assistance in this investigation.

This investigation was conducted by DOI's Inspector General for NYCHA Kelvin Jeremiah and members of his staff, including Senior Deputy Inspector General Ralph Iannuzzi, and Deputy Counsel Mohar Ray. Assistant District Attorney Douglas Kaufman of the New York County District Attorney's Office is assigned to the prosecution.

A criminal complaint is an accusation. A defendant is 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.

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