



Department of Investigation

Press Release

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EX-NYC CLOTHING BANK MANAGER JAILED FOR 2 YEARS

***-- Admitted Taking Payoffs To Divert Van Loads Of Donated Apparel To Fake Charities
& \$10K Theft Of Mayoral Program Checks --***

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), announced today that PHILIP E. SHEIL, the former distribution manager of the Mayor's Voluntary Action Center (MVAC) Clothing Bank, has been sentenced to a 24-month federal prison term on mail and bank fraud charges for taking cash payoffs from a DOI undercover agent to enable bogus charities to get van loads of donated garments -- including overcoats, denim jeans, dresses, shirts, and shoes -- and other new merchandise from the Clothing Bank's Brooklyn Navy Yard warehouse, and, in addition, for stealing 12 blank MVAC checks, forging the MVAC director's signature, and unlawfully cashing 11 of the checks for more than \$10,000.

SHEIL, who pled guilty on October 11, 2001, was sentenced yesterday in Manhattan Federal Court by Judge Richard Berman to serve 2 years in prison and 5 years' supervised release. SHEIL was also directed to make restitution of \$10,285.

SHEIL had been charged in a superceding criminal Information filed on October 2, 2001, with mail and bank fraud, in violation of Title 18, United States Code, Sections 1341 and 1344.

According to Commissioner Kuriansky, the investigation began in July 2000, when DOI received a tip that SHEIL, who supervised distribution by the Clothing Bank of new apparel to benefit the City's homeless and needy, was selling garments to nonexistent nonprofit groups and pocketing the proceeds.

Commissioner Kuriansky said, "This sentence sends an unambiguous message that those who cheat the City of New York will be caught and prosecuted. Sheil was supposed to help clothe the poor and homeless. Instead, he took the clothes off their backs and put money in his own pocket, and then, while still under arrest for these shameful crimes, illegally forged and cashed Clothing Bank program checks worth more than \$10,000. He not only disgraced himself, but betrayed the trust of his co-workers and all New Yorkers."

SHEIL was accused of soliciting and receiving, from an undercover agent posing as an individual improperly trying to obtain merchandise from the Clothing Bank, multiple payoffs totaling \$400 in return for allowing the agent to pretend he was a representative of 2 phony nonprofit charities -- Bronx Educational and Charitable Organization, Inc., and Tyler Youth Education Foundation, Inc. -- so the agent could make warehouse clothing pickups. He was also accused of instructing the undercover how to prepare pickup

authorization letters which were used to obtain 2 van loads of clothing and other merchandise worth about \$9,000. Finally, SHEIL was charged with stealing 12 checks from the MVAC's check ledger, forging the MVAC Executive Director's signature, and illegally negotiating 11 of the checks for more than \$10,000.

SHEIL, 45, of 388 Dean Street in Brooklyn, had been employed by the Mayor's Voluntary Action Corporation, a fund-raising branch of the MVAC, since 1998, earning a salary of \$25,000 a year. His City employment was terminated on May 22, 2001.

Commissioner Kuriansky expressed his sincere appreciation to Harriette Heller, MVAC Executive Director, and members of her staff, as well as to the Federal Bureau of Investigation, particularly FBI Special Agent Rodney Miller.

The investigation was conducted by Julia Davis, DOI's Inspector General for Executive Offices & Non-Mayoral Agencies, former Special Investigator Robert Medaglia, and Confidential Investigators Jared Feirstein and Edward Richards.

The Office of James B. Comey, United States Attorney for the Southern District of New York, prosecuted the case. Assistant United States Attorney William E. Craco was in charge of the prosecution.