



The City of New York
Department of Investigation

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**DOI STATEMENT ON FORMER TURNER CONSTRUCTION CO. VICE PRESIDENT PLEADING GUILTY
TO FORCING SUBCONTRACTORS TO PERFORM PRIVATE JOBS FOR FREE
IN RETURN FOR PROMISES OF FUTURE SUBCONTRACT WORK ON CITY CONSTRUCTION JOBS**

GEORGE PAULINY ("PAULINY"), a former Vice President at Turner Construction Co. ("Turner"), pleaded guilty today in New York County Supreme Court to Grand Larceny in the Fourth Degree by Extortion, a class E felony, in connection with PAULINY's using his position with Turner to force subcontractors to install and maintain a boiler and a radiant heating system for the driveway at his Queens home for free.

According to the criminal court complaint and an investigation conducted jointly by the New York City Department of Investigation ("DOI"), the New York County District Attorney's Office and the Port Authority of New York and New Jersey Inspector General's Office, the subcontractors believed that they had to perform this private work for PAULINY for free or they would lose out on future contract work for the New York City Economic Development Corporation ("EDC"). Two of those EDC contracts included the Manhattan Passenger Cruise Terminal/Pier 88 and the Cruise Terminal in Red Hook Brooklyn. Turner holds the Construction Management Contract with EDC for these contracts and therefore the subcontractors believed PAULINY was in a position to influence Turner's selection of subcontractors.

As a result of his arrest and conviction, PAULINY, 61, has resigned from his job at Turner Construction, where he was making an annual salary of approximately \$190,000. PAULINY will be sentenced on April 4, 2008. As part of his sentence, PAULINY will agree to never work for a company that has contracts with the City of New York, including EDC, and will be required to reimburse the subcontractors between \$3,000 and \$10,000 for the work they performed on his house.

DOI Commissioner Rose Gill Hearn said, "This case is about greed and intimidation. Today's guilty plea serves as a reminder that there are serious consequences when contractors use construction projects in this City as enticements to garner free perks. DOI was pleased to work jointly with the New York County District Attorney's Office and the Port Authority of New York and New Jersey Inspector General's Office on this case and put an end to this corrupt act."

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.