



# Department of Investigation

## *Press Release*

**Release # 047-2001**

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### **L.I. DATA PROCESSING FIRM CHARGED IN MINORITY CONTRACT SCAM** ***-- Falsely Claimed Hiring Female Subcontractor On 5 DEP Contracts Worth \$1.7M --***

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that PLAYERS COMPUTER, INCORPORATED (PCI), a Hauppauge, Long Island, data processing company, has been charged with filing fraudulent documents with the City Department of Environmental Protection (DEP), falsely claiming that PCI had hired or intended to hire a minority or women business enterprise (M/WBE) subcontractor, A.R. Data, Inc., to work on 5 DEP contracts--valued at nearly \$1.7 million--between 1995 and 1997.

According to Commissioner Kuriansky, of the 5 DEP contracts, 2 required PCI to enter, in the agency's computer system, data about DEP's Environmental Control Board (ECB) summonses, as well as to microfilm summonses and mail them to respondents; 2 others required PCI to print and mail ECB computer-generated envelopes containing various ECB documents, and a 5<sup>th</sup> contract required PCI to provide temporary staff for ECB's mail room. Each DEP contract required PCI to subcontract a certain percentage--ranging from 7 % to 20%--of the scheduled work to M/WBEs. In order to ensure that PCI was actually utilizing M/WBE subcontractors, DEP required PCI to file periodic contract compliance documents, including letters of intent, contractor utilization plans, and proofs of payment, with the agency's Deputy Agency Chief Contracting Officer (DACCO).

ECB is an administrative tribunal which adjudicates quality of life violations issued by various City agencies, including the Buildings, Environmental Protection, Fire, Health, Sanitation, and Transportation Departments. ECB processes about 600,000 summonses annually, and can impose, for various infractions, fines ranging from \$25 to \$25,000.

Commissioner Kuriansky said the investigation began in January 1998, when DEP alerted DOI that PCI may have filed a false M/WBE subcontractor proof of payment.

The investigation disclosed that, between October 1995 and August 1997, PCI, acting through its president Christian Kropac, had submitted to DEP's DACCO various contract compliance documents falsely indicating that PCI had hired, used, and paid an M/WBE subcontractor to work on each of the 5 PCI contracts, when, in fact, the company did not hire an M/WBE to work on any of the 5 contracts.

The effective dates, total dollar amounts, and M/WBE work percentages claimed by PCI with respect to the 5

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contracts were: (1) November 30, 1993, to December 9, 1995/\$359,340/10%; (2) January 11, 1994, to January 20, 1996/\$182,000/7%; (3) November 1, 1995, to October 31, 1997/\$577,820/7%; (4) December 11, 1996, to December 11, 1998/\$302,775/20%; and (5) January 21, 1997, to January 21, 1999/\$238,000/7%.

In particular, the investigation revealed that PCI had submitted to DEP a total of 10 documents--3 letters of intent, 5 contractor utilization plans, and 2 proofs of payment--which contained bogus information with respect to its purported M/WBE, A.R. Data, Inc., a Suffolk County, Long Island, data entry company, whose president, Adele Rodriguez, is female.

These documents included: (1) a May 1997 proof of payment letter, which claimed that PCI had paid \$11,578 to A.R. Data, Inc. as an M/WBE subcontractor, and included copies of 9 canceled checks made payable to the data entry company (the canceled checks actually represented payments on another, unrelated contract); (2) a November 7, 1995, contractor utilization plan (CUP) listing A.R. Data, Inc. as an M/WBE subcontractor; (3) an October 5, 1995, letter of intent, which also contained the purported signature of A.R. Data, Inc.'s, president, Adele Rodriguez; (4) an undated and unsigned CUP, which listed A.R. Data, Inc. as an M/WBE; (5) an August 18, 1997, DEP proof of payment form, which certified that PCI had paid A.R. Data, Inc. \$20,552 as an M/WBE subcontractor, and included copies of 16 canceled checks made payable to A.R. Data, Inc. (the canceled checks actually represented payments on another, unrelated contract); (6) an August 21, 1997, CUP, unsigned, which listed A.R. Data, Inc., as an M/WBE subcontractor; (7) an October 3, 1996, CUP, unsigned, which listed A.R. Data Inc. as an M/WBE; (8) an October 8, 1996, letter of intent, which also contained the purported signature of the A.R. Data, Inc.'s, president, Adele Rodriguez; (9) an October 7, 1996, CUP, which listed A.R. Data, Inc., as an M/WBE subcontractor; and (10) an undated letter of intent, attached to the October 7, 1996, CUP, which also contained the purported signature of A.R. Data, Inc.'s president, Adele Rodriguez.

The company, PLAYERS COMPUTER, INCORPORATED, of 20 Constance Court in Hauppauge, Long Island, has been charged with Offering a False Instrument for Filing in the First Degree (10 counts), a Class E felony. The company's president, Christian Kropac, 67, resides at 137 Eflin Lane in East Setauket, Long Island. If convicted, the company faces a maximum fine of twice the amount of its alleged illegal gains.

Commissioner Kuriansky expressed his sincere appreciation to DEP Commissioner Joel A. Miele, Sr., P.E., and members of his staff, particularly DACCO Alan Wasserman, for their cooperation and assistance in the investigation.

The investigation was conducted by Clive I. Morricks, DOI's Inspector General for DEP, and members of his staff, including Confidential Investigator John Alleva.

The Office of Queens District Attorney Richard A. Brown is prosecuting the case. Assistant District Attorney John Scarpa, under the supervision of Brian Mich, Chief, Economic Crimes Bureau, and, under the overall supervision of Peter A. Crusco, Executive Assistant District Attorney for Investigations, is handling the matter.

It should be noted that a criminal complaint is merely an accusation and that the defendant is presumed innocent until proven guilty.