



The City of New York
Department of Investigation

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**FORMER NYCHA OFFICIAL PLEADS GUILTY TO SOLICITING AND RECEIVING
AN UNLAWFUL GRATUITY FROM A NYCHA VENDOR**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today that KIRK ELYAKIN, a former Deputy Director in the Risk Finance Division of the New York City Housing Authority ("NYCHA"), pled guilty to soliciting and receiving an unlawful gratuity from a NYCHA vendor.

ELYAKIN, 48, of East Windsor, N.J., pled guilty to Theft or bribery concerning programs receiving Federal funds before the Honorable Sterling Johnson Jr. at the U.S. Courthouse in Brooklyn. The count carries a maximum term of imprisonment of 10 years and a maximum fine of \$250,000. As part of the plea agreement, ELYAKIN will pay \$4,800 in restitution. His sentencing date is scheduled for July 27, 2005.

As a Deputy Director in NYCHA's Risk Finance Division in 2001, ELYAKIN had primary responsibility for selecting and contracting with a company to provide administration and medical management services for NYCHA's workers' compensation program. Crawford and Company ("Crawford"), based in Atlanta, Georgia, had a series of contracts to provide these services to NYCHA from 1995 until the end of 2001. Crawford was one of several companies to bid for the next contract, which ran from 2002 until 2005. While Crawford was under consideration for the new contract, ELYAKIN suggested to Crawford employees that Crawford purchase products and services from a company that employed one of ELYAKIN's relatives. In or about October 2001, Crawford purchased products and services from Company A for \$32,150. ELYAKIN's relative received roughly \$4,800 in commission from Company A for the sale. The next month, ELYAKIN and NYCHA selected Crawford as the winner for a three-year contract worth at least \$7.8 million. In October 2004, NYCHA began the process of looking for a new company to provide these services. ELYAKIN resigned from NYCHA in October 2003.

DOI's investigation began after the Defense Criminal Investigative Service ("DCIS"), the investigative arm of the Department of Defense Office of the Inspector General, shared allegations about ELYAKIN and Crawford. DCIS, the United States Department of Justice ("DOJ"), and the Federal Bureau of Investigation ("FBI") had investigated a Crawford subsidiary, which pled guilty in November 2003 to mail fraud and overcharging and fraudulently billing clients.

DOI Commissioner Rose Gill Hearn said, "This defendant ignored his duty to serve the public when he used his position to line the pockets of a relative. Now, his pockets will be a little lighter when he pays the \$4,800 in restitution."

This case was investigated by DOI's Inspector General for NYCHA Judith F. Abruzzo and members of her staff including Assistant Counsel Rachel Adler, as well as investigators from DCIS and the Philadelphia Division of the FBI. The prosecution was handled by Guy Singer, Trial Attorney for the DOJ Criminal Division, Fraud Section.

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.