



The City of New York
Department of Investigation

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**FORMER EXECUTIVE CHARGED WITH EMBEZZLING TENS OF THOUSANDS OF DOLLARS
FROM HIS NOW-DEFUNCT YOUTH SERVICES ORGANIZATION**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement regarding the arrest today of JOHN BESS, the founder and former chief executive officer ("CEO") of the now-defunct The Valley, Inc. ("the Valley"), on charges of embezzling tens of thousands of dollars from that not-for-profit organization. BESS founded The Valley in 1979, operated it from within the Cathedral of St. John the Divine in the Morningside Heights section of Manhattan, and, until 2006, received funding from several City agencies, including the Department of Youth and Community Development ("DYCD") and the Administration for Children's Services ("ACS").

This case is another example of a DOI investigation of fraud by a not-for-profit, funded in part with City funds. It was referred to the New York County District Attorney's Office several years ago and is one of the cases that brought about the formation of DOI's not-for-profit fraud unit.

DOI Commissioner Rose Gill Hearn said, "Anyone tempted to abuse a position of trust to steal from a City-funded charity should stop and consider where that road leads – exposure, arrest, prosecution, and a possible prison sentence. DOI's investigators have uncovered any number of such schemes involving not-for-profits that receive City funds, despite the deceptions that unfaithful insiders have concocted to conceal their betrayals of community organizations."

DOI conducted the investigation that led to BESS'S arrest; the office of New York County District Attorney Robert M. Morgenthau is prosecuting the case.

BESS, 57, of Manhattan, has been indicted on charges of Grand Larceny in the Second Degree, Repeated Failure to File Personal Income and Earnings Taxes and three counts of Offering a False Instrument for Filing in the Second Degree.

The investigation was conducted by DOI's Public Assistance and Grants Unit, in particular Associate Commissioner Richard Krause, Counsel to the Inspector General Jennifer Fiellman, and Investigative Auditor Nicole Clyne.

The New York County District Attorney's Office is prosecuting the case, which is assigned to Assistant District Attorney Vimi Bhatia of the Frauds Bureau, under the supervision of Bureau Chief Michael Kitsis.

An indictment is an accusation. Defendants are presumed innocent until proven guilty.

Get the worms out of the Big Apple. To report someone ripping off the City, call DOI at (212) 825-5959.