



The City of New York
Department of Investigation

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Release #79-2009
nyc.gov/html/doi

**FOR IMMEDIATE RELEASE
TUESDAY, JULY 28, 2009**

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**REMARKS OF DOI COMMISSIONER ROSE GILL HEARN REGARDING GUILTY PLEA AND
INDICTMENT IN CHECK-CASHING SCHEME RELATED TO 130 LIBERTY STREET**

The indictment and guilty plea announced today charges a scheme in which the defendants skirted banking regulations to secretly turn hundreds-of-thousands of dollars of checks related to the 130 Liberty Street project into cash.

As charged, the scam is an elaborate shell game in which checks were farmed out to different check cashing companies, at different locations, in amounts that intentionally evaded bank reporting requirements. Many of the checks involved companies we've come to know well during the investigation into this trouble-plagued project – Regional Scaffolding and several related companies, including The John Galt Corp.

These charges originated from a rigorous examination of the financial records pertaining to the project. That painstaking work led to the investigation into Mr. Goldberg's companies, and the discovery of this check-cashing scheme and the defendants' effort to fly under the radar of banking and financial regulations.

Mr. Goldberg's guilty plea and the indictment of two other defendants is a significant development in an ongoing investigation.

This is the third time in the last seven months that DOI has been here with Mr. Morgenthau discussing the result of an investigation and criminal charges brought by the District Attorney's Office relating to the 130 Liberty Street project. The broad-ranging investigation has exposed a remarkable array of illegal practices and conduct at this project, which, the charges demonstrated, was treated as a cash cow by unscrupulous scam artists.

I thank District Attorney Morgenthau for his continued commitment to bring justice in this matter and to all the investigators whose diligent work continues to yield significant prosecutions.

Indictments and criminal complaints are accusation. Defendants are presumed innocent until proven guilty.

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