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FOR IMMEDIATE RELEASE
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**D.A. BROWN: NEW JERSEY CONSTRUCTION COMPANY MANAGER ADMITS TO
FILING FORGED DOCUMENTS WITH NYC SCHOOL CONSTRUCTION AUTHORITY**

Full Restitution to Be Made

Queens District Attorney Richard A. Brown announced today that the former director of operations for a New Jersey construction company that provides temporary classroom units to New York City schools has pleaded guilty to fraudulently filing proposals and change orders that inflated the price of jobs.

District Attorney Brown said, "The disposition of this case, coupled with the School Construction Authority's Inspector General's audit findings, will ensure that taxpayer dollars siphoned from City coffers are returned and used for their intended purpose – to provide students with scholastic environments in which they can thrive."

Department of Investigation Commissioner Rose Gill Hearn said, "This defendant submitted false and inflated invoices to the SCA and earned his company, undeservedly so, extra monies for providing temporary classroom units. The City can ill afford this loss – these funds should go where they belong, to providing classrooms for the City's students and not to the pockets of contractors."

District Attorney Brown identified the defendant as Marc Mahoney, 47, of 116 Kennedy Mill Road in Stewartsville, New Jersey. He is the former Director of Operations of Kullman Industries Inc., a construction company based in Lebanon, New Jersey. Mahoney pleaded guilty today to Offering a False Instrument for Filing in the First Degree, a Class E felony, before Queens Supreme Court Justice Pauline A. Mullings who indicated that she would sentence him on December 7, 2005 to five years' probation.

According to District Attorney Brown, due to overcrowding in New York City classrooms, the School Construction Authority (SCA), in 1997, solicited bids for the contract to furnish and install temporary classroom units (with plumbing and electrical connections) for various schools within New York City. The contract was ultimately awarded to Kullman Industries Inc., and Mahoney, in his capacity as Director of Operations for Kullman, was responsible for submitting to the SCA requests for change orders and related documents, including proposals for costs of work performed by companies working as subcontractors to Kullman. The SCA also requires contractors to file a breakdown of the costs associated with each change order.

The District Attorney said that, in pleading guilty today, the defendant admitted that between October 8, 2001, and March 15, 2002 he submitted change orders pertaining to the temporary classroom units which contained forged proposals from subcontractors that inflated the cost and amount of work to be done.

District Attorney Brown noted that in a separate agreement with the SCA's Office of the Inspector General, Kullman Industries, Inc. has agreed to hire an Independent Private Sector Inspector General who will monitor the company's future activities with the SCA and report directly to the SCA's Inspector General's Office. In addition, Kullman has agreed to make full restitution to the SCA based on the Inspector General's audit of the fraudulent change orders.

The investigation was conducted by Investigators Lee Callier and James O'Brien of the New York City School Construction Authority, Office of the Inspector General, under the overall supervision of Inspector General Barbara DiTata, Vice President of the Office of Inspector General.

Assistant District Attorney Allison P. Wright of the District Attorney's Economic Crimes Bureau is prosecuting the case under the supervision of Assistant District Attorneys Gregory C. Pavlides, Bureau Chief, and Diane M. Peress, Deputy Bureau Chief, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

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Note to Editors: Press release e-version posted at www.queensda.org.