

NEWS RELEASE
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Manhattan District Attorney Robert M. Morgenthau announced today the indictment and arrest of the founder and former chief executive officer of a defunct non-profit agency, The Valley, Inc., for stealing over a quarter of a million dollars from the organization and for not filing his personal income taxes. The non-profit agency, which provided services to tens of thousands of youths, was forced to close in 2006.

The defendant, JOHN BESS, 57, was indicted on charges of grand larceny, violation of tax law and offering a false instrument for filing. The crimes charged in the indictment occurred between May 16, 2000 and May 31, 2008.

The investigation leading to today's indictment and arrest revealed that BESS committed larceny using several schemes. First, he used The Valley's debit card issued to him for business expenses, and then had The Valley reimburse him for the same debit card charges, thereby causing The Valley to pay the charges twice. BESS also took money that had been paid to The Valley by other not-for-profit agencies, falsely claiming to The Valley's accountants that the checks were intended for him personally. After the original checks were deposited into The Valley's account, BESS had The Valley make checks for identical amounts payable to him. Finally, BESS took \$208,691 that he was not entitled to from The Valley for unused vacation time, falsely claiming that he had worked seven days a week for 20 years without taking a day off. In total, BESS stole \$270,875.55 from the organization. On the tax front, in five different years BESS failed to file a state return, and in 2008 he filed documents which failed to report the income he had stolen.

The Valley, Inc. was a non-profit organization whose mission was to empower disadvantaged youth in New York City by providing services and programs geared towards education, leadership training, community development, family preservation and workforce development. Operating out of the Cathedral of St. John the Divine, The Valley created and operated such programs as The Second Chance Program, which provided support and individualized counseling to first-time youth offenders aged 14 to 18; The Family Preservation Program, which provided vital services such as medical referrals, pregnancy prevention, housing and day care assistance, crisis intervention, drug prevention, case management, educational services and foster care prevention; The Summer Youth Employment Program, which provided summer employment opportunities to over 3,000 young people. The Valley also offered tutoring, counseling, after-school activities, college and career preparation, immigration services, GED preparation, support services, attendance improvement/drop-out prevention, incentive trips and job readiness through five secondary education school sites. The Valley was funded by public grants, private donors, and fundraising efforts. In the face of a continuously deteriorating economic position, the organization was forced to close its doors at the end of January 2006.

BESS has been indicted on one count of Grand Larceny in the Second Degree, a class C felony, which is punishable by up to 15 years in prison; one count of Violation of Tax Law 1802(a), a class E felony, which is punishable by up to 4 years in prison; and three counts of Offering a False Instrument for Filing, a class A misdemeanor, which is punishable by up to 1 year in prison. BESS is scheduled to be arraigned this afternoon in State Supreme Court, Part. 1.

Mr. Morgenthau thanked the New York City Department of Investigation, specifically Investigative Auditor Nicole Clyne under the supervision of Inspector General Pat Russo, Associate Commissioner Richard Krause, and Commissioner Rose Gill Hearn for their assistance in the investigation.

Mr. Morgenthau also thanked the State of New York Department of Taxation and Finance.

The case was presented to the Grand Jury by Assistant District Attorney Vimi Bhatia of the Frauds Bureau, under the supervision of Assistant District Attorney Michael Kitsis, Chief of the

District Attorney's Frauds Bureau, and Assistant District Attorneys Jeannette Molina, Michele Shulman, Deputy Chiefs of the Frauds Bureau. Trial Preparation Assistant Eunice Choi assisted in the presentation. The investigation was conducted by Investigator Alex Arenas of the District Attorney's Investigation Bureau, under the supervision of Chief Investigator Joseph Pennisi and Assistant Chief Terence Mulderrig. Financial Investigator Greg Waldvogel of the District Attorney's Financial Crimes Bureau also participated in the investigation under the supervision of Bureau Chief Frank Puma and Deputy Chief Michael Vecchio.

Defendant Information:

JOHN BESS, 2/24/1952
129 West 119th Street
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