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**REMARKS OF DOI COMMISSIONER MARK G. PETERS AT PRESS CONFERENCE ANNOUNCING ARRESTS
IN CONNECTION WITH MASSIVE BRIBERY SCHEME INVOLVING 16 CITY EMPLOYEES**

I want to first thank our dedicated law enforcement colleagues on this wide-ranging corruption-and-bribery investigation: District Attorney Vance and his hard-working team of prosecutors, who are our partners in so much of the anti-corruption work we do. I would also like to thank Police Commissioner Bratton and the NYPD for their commitment and diligence, and Brooklyn District Attorney Ken Thompson and the Pennsylvania State Police who gave us invaluable assistance.

I also want to thank the team of folks from DOI who worked this case day in and day out: Associate Commissioner Mike Carroll, Inspector General Greg Cho, Deputy Inspector General Ed Zinser, Chief Investigator Jim McElligott and Special Investigators Mike Antolini and Noah Mohny. I am proud to work with all of them.

This investigation is stunning for the sheer breadth of those charged and the extent to which the corruption infested our City institutions - 50 individuals in all: 16 City employees, including two City Department of Buildings Borough Chiefs, two Buildings supervisors and managers, and five inspectors from the City Department of Housing Preservation and Development (HPD).

Most disturbingly, the illegal conduct outlined in the indictment unsealed today goes beyond the all too familiar headlines of corrupt public officials and had tangible, real-world consequences.

The charged conduct, which spanned more than two years, caused dozens of building violations to go unaddressed potentially endangering the safety of New Yorkers, and it wrongfully attempted to evict tenants from their homes, to make way for higher rents and larger, illegal profits for property owners.

That is why DOI will work with the City Buildings Department and HPD to begin closing vulnerabilities we uncovered in this investigation. And I should note that these agencies have independently begun new compliance measures. To help that process, we have recommended to the Buildings Department that it require two separate inspectors to both inspect and review a construction inspection, halting the practice that allows a supervisory inspector to both inspect and review a site. To fix the issue we observed during our investigation in which HPD employees were allowed to dismiss a violation without documented compliance, we have

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recommended that HPD strengthen its protocols and record-keeping so employees are prevented from dismissing violations in which there has been no submitted compliance. And, of course, at DOI we continue to look for additional corrupt workers.

While corruption is the headline of this story, it is only part of it. The other part is how this case started: A City employee stepped forward, a City agency found red flags and DOI as the City's anti-corruption agency did what it is trained to do - it found the facts. We then brought them to our partners at the Manhattan District Attorney and continued to work every lead of this case.

It all began with a DOI undercover operation, the kind we routinely do after receiving a tip that alerts us to possible corruption. Here, a Housing Inspector alerted us about a bribe offer. After conducting the undercover operation, we made an arrest and started looking at the evidence we had found, including cell phone texts we obtained through a search warrant with the Manhattan District Attorney. As investigators sifted through cell phone texts and buildings records, we saw irregularities that raised questions about how buildings inspections had been conducted - or in many cases, not conducted at all.

This initial work showed the same DOB inspectors signing off on violations at the same properties, again and again. Incrementally, investigators made their way from that bribery scheme to the next and then the next. It was a web of corruption.

Dozens of DOI investigators worked this case for the better part of two years, pulling it together fact-by-fact. They used their expertise in the operations of buildings and housing inspections to spot the red flags. I thank them for their diligence and precision.

In the Buildings-related cases, again and again, DOI saw inspectors failing to do their jobs and at times putting New Yorkers' safety at risk.

- In one case, a property owner at a Brooklyn synagogue did not obtain the proper permits to add two floors to the site, yet began construction using a design that was not structurally sound. As you can see in this photo (PHOTO 1, attached) the existing roof goes through the new construction and there is a crack in the side of the building's wall, which raised questions about the integrity of an interior wall with two steel channels that appeared to be twisted.
- In another instance, a DOB supervisor and inspector worked with a general contractor to concoct a fake stop work order that would allow the contractor to shake down the property owner for unnecessary services. Here, (PHOTO 2, attached) you see the inspector making contact with the contractor, getting the fake stop work order from his car and placing it on the property.

DOI notified DOB of these issues and as of today we have ensured that virtually every site has been re-inspected and dangerous conditions have either been fixed or sites have been shut down. Re-inspections of approximately 150 properties have been completed. Another positive result of this investigation.

DOI was turned onto the HPD part of the case through a routine HPD audit that was looking into inspections with discrepancies, such as property owners not filing the proper paperwork and inspectors removing violations so quickly it raised questions about whether inspections were actually conducted. Those red flags, reported to DOI, ultimately led to a bribery scheme in which HPD workers agreed to issue bogus vacate orders to push out the tenants paying lower rents to make way for wealthier occupants.

The investigation showed an utter disregard not just for the City's construction and housing codes, but for safety. In one case, after a worker fell 10 feet off a beam, a Buildings Construction Chief focused not on the

worker's safety, or the integrity of the building, but instead on instructing the contractor how to get an ambulance to the site without raising the suspicions of the Buildings Department or OSHA.

Fifty corrupt City officials and businessmen whose charged wrongdoing allowed building construction to go forward despite serious safety hazards. And, at a time when the City is desperate for affordable housing, the investigation exposed conversations between buildings inspectors and property owners intending to flip apartments for higher rents, taking homes from lower-paying tenants.

These City employees, including the borough chiefs and managers in Manhattan and Brooklyn violated the public trust, according to the indictment.

They sold out their integrity.

They did New York City real harm.

Now, they must face the criminal justice system.

Indictments are an accusation. Defendants are presumed innocent until proven guilty.

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.

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PUBLIC SAFETY CONCERNS

ROOF OF EXISTING STRUCTURE
PENTRUDING THROUGH NEW FLOOR



CRACK IN EXTERIOR FAÇADE COMPROMISING
STRUCTURAL INTEGRITY AND IN DANGER OF
A COLLAPSE



DOB SHAKE DOWN

INSPECTOR MAKING INITIAL CONTACT WITH
CONTRACTOR FOR A PROPERTY NOT ON HIS ROUTE



INCORRECT DATE OF
INSPECTION

INVALID VIOLATION
NUMBER



INSPECTOR ISSUING A FAKE STOP WORK ORDER

