



The City of New York
Department of Investigation

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DOI's ONGOING DAYCARE INVESTIGATION LEADS TO ARRESTS OF TWO CITY EMPLOYEES

ACS Workers Charged with Bribery and Related Crimes for Assisting Daycare Owner Previously Arrested for Overbilling City and Running Dangerous Sites

Mark G. Peters, Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrests of two Administration for Children's Services ("ACS") employees on bribery and gratuity charges as a result of an ongoing DOI investigation into City daycare operators. The office of Kings County District Attorney Kenneth P. Thompson is prosecuting the case.

DOI's investigation began in 2014 with the arrest of four daycare operators, including Owen Larman, owner of several Next to Home daycares, who received money from ACS for services that were not provided and ran sites that were visibly unsafe for the children who did attend. LAMONT MORALES, was arrested today, after DOI determined that he received approximately \$4,000 from Larman to process paperwork and allow Larman to bypass ACS procedures for reimbursing the daycare. BERNADETTE SHUEMAKE was also arrested today after the investigation found she processed paperwork for Larman and received a \$400 gratuity from him.

DOI Commissioner Mark G. Peters said, "These employees, as charged, took bribes and aided in the blatant theft of City funds intended to provide safe and exceptional child care to New Yorkers. Today's arrests yet again underscore the necessity of vigorous policing and oversight to uphold the integrity of the City's child care systems."

Kings County District Attorney Kenneth P. Thompson said, "These workers allegedly engaged in shameful conduct that could have endangered the small children entrusted to the care of this day care operator. They now deserve to be prosecuted to the fullest extent of the law."

MORALES, 44, of Bronx, NY, was charged with one count of bribe receiving in the third degree, a class D felony, and one count of receiving reward for official misconduct in the second degree, a class E felony. Upon conviction, a class D felony is punishable by up to seven years in prison and a class E felony is punishable by up to four years in prison.

According to the felony complaint, MORALES is a current ACS employee who, from 2009 to 2014, performed ACS-related functions as a YMS contracted employee at the ACS building at 150 William Street

in Manhattan. DOI's investigation found that from 2011 to 2013, MORALES accepted monthly cash payments ranging from \$100 to \$300 from Larman.

Larman was arrested by DOI on September 9, 2014 after an investigation determined he had charged ACS for approximately \$60,000 worth of childcare that he never provided. The investigation further revealed unsafe conditions at the daycare centers he did run, including rat poison on the floor and disabled fire alarms. He was charged with grand larceny in the second degree, a class C felony, grand larceny in the third degree, a class D felony, and 19 counts of offering a false instrument for filing in the first degree, a class E felony. (None of Larman's sites were part of the City's Universal Pre-K initiative.) MORALES admitted to DOI investigators that Larman gave him payments to ensure Next to Home reimbursements were dispersed in a timely manner. MORALES also admitted to sending Larman ACS reimbursement forms via facsimile without checking with his supervisor, a practice utilized to curb improper payments to daycare operators.

SHUEMAKE, 43, of Brooklyn, NY, was charged with one count of receiving unlawful gratuities and one count of violating Section 2604(b) of the City's Conflicts of Interest Laws, both class A misdemeanors. Upon conviction, a class A misdemeanor is punishable by up to a year's incarceration. In addition, a person convicted of violating Section 2604(b) of the City's Conflicts of Interest Laws shall be forever disqualified from City employment.

According to the complaint, SHUEMAKE has worked at ACS for the past 10 years. A DOI subpoena of Larman's bank records showed SHUEMAKE deposited a \$400 check from Larman in December 2012. SHUEMAKE, a Community Associate at ACS, enrolled two Next to Home day care programs in 2012 to ensure Larman could receive reimbursements from ACS. One of those programs never existed.

DOI Commissioner Peters thanked Kings County District Attorney Kenneth P. Thompson and ACS Commissioner Gladys Carrion, and their staffs, for their cooperation and assistance in these investigations.

These investigations were conducted by DOI's Office of the Inspector General for DOHMH, including Special Investigator Trisha Gangadeen under the supervision of Inspector General Clinton Daggan.

Assistant District Attorney Emily Bradford, Deputy Chief of Public Integrity, from the office of Kings County District Attorney Kenneth P. Thompson is prosecuting these cases under the supervision of William E. Schaeffer, Chief of Investigations.

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

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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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