



The City of New York
Department of Investigation

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**Remarks of New York City Department of Investigation First Deputy Commissioner Lesley Brovner
at a Press Conference on the Citywide Construction Fraud Task Force's Investigation
of a Procurement Fraud Scheme at the Department of Environmental Protection and other Corruption Schemes**

I want to thank District Attorney Vance and his team, specifically Michael Sachs, Chief of the Investigation Division; Jodie Kane, Chief of the Rackets Bureau; and Diana Florence, Attorney-in-Charge of the Construction Fraud Task Force. I'd also like to thank our many state and local partners in the Construction Fraud Task Force standing with us today, including the Port Authority Inspector General and MTA Inspector General. Thank you for your partnership in uncovering the multiple schemes highlighted in these indictments that weaken the integrity of our City's processes.

Without fairness integrity is compromised. And when City government operations are corrupted the vulnerabilities left behind can have a devastating impact if uncorrected.

This case began with a complaint – one individual who came forward and tipped DOI off to a possible straw donor scheme. We dug deeper, involved our partners, and through that one tip uncovered a massive scheme to skirt the City's procurement rules. Defendant Madu manipulated procurement at the City's Department of Environmental Protection ("DEP") – diverting contracts to a chosen few.

DOI's report released today on this Task Force investigation demonstrates how Madu allegedly gave City contractors crucial information that could help them edge out the competition and disadvantage anyone who wasn't in Madu's inner circle. And the head start he gave these companies ultimately paid off for Madu to the tune of millions of dollars in subcontracts to companies he controlled through family and other associates, according to the charges.

Not only did Madu funnel millions of dollars in City funds to the companies of his choice, but he also misrepresented the true ownership and control of several companies designated as Minority and Women-Owned Business Enterprises or M/WBEs. Though nominally owned by his family members and associates, Madu controlled these M/WBEs that contractors placed on city and state projects as a means of compensating Madu for his help.

This investigation speaks to how integrity is threatened when City employees place personal profit above the public interest. DOI's report offers recommendations to DEP – and has made these same recommendations Citywide – to combat corruption in connection with procurement and other business practices, including:

- Requiring City employees involved in procurement and contracting, as well as City contractors, to certify that they understand procurement rules and prohibitions;
- Requiring City employees involved in procurement and contracting to disclose family members who do business with the City;
- Prohibiting City employees from inquiring on behalf of family members about jobs with firms that do business with the City;
- And implementing a zero-tolerance rule on accepting gifts or anything of value from people or entities doing business with the City.

Seeing the vulnerabilities in the application process for M/WBE's, we have also made several recommendations to the City's Department of Small Business Services to ensure better vetting of applicants seeking certification as M/WBE's.

Defendant Madu took advantage of a broken procurement system – but DOI and its partners were watching and are holding the indicted individuals and companies accountable.

Before I conclude I would also like to thank the investigators at DOI who worked on this investigation, specifically Chief Investigator Jim McElligott and Assistant Inspector General Tiffany Ingraham, under the supervision of Inspector General Gregory Cho, Associate Commissioners Jay Flaherty and Andrew Brunsten, and Deputy Commissioner/Chief of Investigations Susan Lambiase.

Thank you.

Indictments are accusations. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. 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. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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