



The City of New York
Department of Investigation

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DOI ISSUES CALENDAR YEAREND 2019 STATISTICS

Margaret Garnett, Commissioner of the New York City Department of Investigation (“DOI”), announced today the agency’s statistics for Calendar Yearend (“CY”) 2019. In 2019, DOI continued its commitment to protecting New York City from corruption, fraud, waste, and abuse and rooting out municipal corruption through arrests, investigations, and recommendations for agency reforms. DOI leadership also tackled a number of critical operational issues to enhance the agency’s investigative work, including a restructuring of the agency’s background investigations unit to better tackle the backlog of cases; streamlining and reorganizing the chain of command to encourage an open-door policy to the Commissioner and her executive staff; and assessing and redirecting agency resources to support the investigative work of DOI.

In CY 2019, DOI made 653 arrests, received 14,327 complaints, carried a caseload of nearly 2,000 investigations, and issued an estimated 520 policy and procedure recommendations to City agencies. These indicators reflect a slight decline from the previous calendar year, as noted below, and reflect only one part of DOI’s accomplishments over the past year.

DOI Commissioner Margaret Garnett said, “Over the past year, my team and I have made it our mission to preserve DOI’s historically strong law enforcement legacy by tackling substantial issues within our agency, including the reorganization of our background investigations unit to prioritize ending DOI’s years-long backlog, and the creation of a public database that catalogs our policy and procedure recommendations and agency responses to further our commitment to provide a clear window into DOI’s work and impact. We have also focused on fostering a culture of excellence in the investigative work of DOI, following the facts in both large- and small-scale cases, illustrated by successful investigations targeting corruption in our City’s jails, City-funded not-for-profit sector, and affordable housing, among other areas, all of which have broad effect across the City. I look forward to continuing these important initiatives and investigations throughout this coming year.”

Specifically in CY 2019:

- DOI made 653 arrests as compared to 721 arrests resulting from investigations in CY 2018.
- Received 14,327 complaints, a slight decrease from the 15,105 complaints received in CY 2018.
- Carried a docket of 1,979 investigations, on pace with the 2,078 caseload from CY 2018.
- Closed 1,183 investigations; a small decrease from the 1,439 investigations closed in CY 2018.
- and issued an estimated 520 policy and procedure recommendations compared to 1,816 recommendations issued in CY 2018. This decline can be attributed to a substantial number of Citywide PPRs issued in 2018, which were counted individually and as a separate set of recommendations for each City agency.

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Additionally, DOI increased educational efforts through its in-person lectures and revamped online Corruption Prevention course in 2019. DOI conducted 482 in-person lectures, an increase of nearly 70 lectures from the previous calendar year. In collaboration with the City's Department of Administrative Services ("DCAS") DOI began rolling out an improved e-training tool to City agencies in the fall. The updated training provides employees with background on DOI, its history, its role within City government, and the responsibility that City employees have in helping DOI fight corruption. As of December 31st, 2019, DOI's e-learning corruption prevention lectures reached nearly 46,000 City employees. The training continues to be rolled out to City agencies.

Some highlights of DOI cases and reports from 2019 include:

- In January, DOI released the investigative findings of its examination of mismanagement at the New York City Housing Authority's Throggs Neck Houses, allegations that were widely publicized in the media. DOI began its investigation in August 2018, conducting interviews, reviewing video recordings, personnel files and other documents and found evidence of a culture of misconduct, employee mistreatment and retaliation led by two managers at the Throggs Neck Houses, including regular and extensive alcohol use on the job, managers and subordinates engaged in sexual relationships that led to improper favoritism and punishment, managers' threatening of subordinates' physical safety, managers allowing favored employees to leave their assigned posts while on duty, time and-leave abuse, bullying and retaliation against disfavored employees, sabotage of NYCHA appliances intended for residents' apartments, discarding thousands of dollars' worth of valuable NYCHA equipment, and the circumvention of NYCHA procurement rules. In March 2019, DOI Commissioner Margaret Garnett testified to the New York City Council on DOI's investigative findings.
- DOI released a report examining the New York City Human Resources Administration ("HRA") Special One-Time Assistance ("SOTA") program, a rental assistance program designed to provide permanent, stable housing to qualified Department of Homeless Services ("DHS") clients, finding several deficiencies in processes and practice related to the SOTA program's placements outside of New York City, sometimes leading to DHS clients' placement in units without valid occupancy certifications, without heat, and with insect and vermin infestations. DOI's investigation also found that Housing Specialists assigned to inspect SOTA properties for habitability were not properly trained to detect health and safety hazards, and some did not conduct the required inspection despite documenting that they had. The City's Department of Social Services ("DSS"), which includes both HRA and DHS, cooperated in DOI's investigation and has begun implementing reforms to the program.
- DOI, in partnership with the Special Commissioner of Investigation for the New York City School District ("SCI"), completed an investigation into the process governing New York City Department of Education's ("DOE") inquiry into whether the education provided at certain Hasidic Yeshivas is "substantially equivalent" to the education provided in City public schools. The investigation concluded that political horse-trading between the Mayor's and State legislators' representatives unquestionably occurred and representatives agreed to delay an interim report of the DOE's findings in an attempt to secure support for extending mayoral control of the City's schools. However, the investigation also found that this agreement had no substantial effect on the inquiry's conclusion or the progress of the inquiry, which was mired in delays for several years because of a variety of factors.
- DOI worked with the Manhattan District Attorney's Office to indict a former New York City Department of Correction Captain and five DOC Correction Officers for performing unlawful searches of visitors to the Manhattan Detention Complex ("MDC") and filing false paperwork to conceal the illegal conduct. DOI issued a report concurrently that examined DOC staff's practices in conducting visitor searches at every DOC facility to determine whether officers were complying with DOC's directives and to assess whether changes to policies, practices, or training were warranted. DOI's investigation determined that DOC continued to subject visitors, who were mostly women, to invasive searches that violated DOC's own policies and were inconsistent with the dignity and rights of visitors. That report made a number of recommendations to DOC for reforms, most of which have been adopted and implemented by the agency.
- DOI worked with the Brooklyn District Attorney's Office and the U.S. Department of Housing and Urban Development to indict three officials at the Luna Park Housing Corporation, a Mitchell-Lama Complex in Coney Island, for taking \$874,000 in bribes to assist ineligible applicants get sought-after apartments in the complex. The defendants in the case used their positions on the board of directors and in the

management office to conspire to steal and then sell the right to purchase the apartments at Luna Park. Five months later, DOI and KCDA's continued investigation led to the arrests of three additional Luna Park tenants who submitted falsified and forged documents to illegally purchase apartments in the Mitchell-Lama complex. DOI remains committed to protecting affordable housing and fair access to housing stock for low- and middle-income New Yorkers and will continue to pursue these cases. DOI has made a number of recommendations to the Department of Housing Preservation and Development about their oversight practices, based on information from this case and other investigations.

- DOI continued its efforts to crack down on fraudulent parking placards with the arrests of eight individuals who used fraudulent placards to dispute parking tickets with the New York City Department of Finance ("DOF") in an effort to have their tickets dismissed. The defendants in the case used fake handicap parking placards or fraudulent city-issued placards in an attempt to fight summonses they received for parking in no standing, no parking, and meter zones in Manhattan and Queens.
- Vadim Barbarovich, a City Marshal, resigned as part of a disciplinary stipulation following an investigation by DOI that began in 2018 regarding allegations that Barbarovich exceeded his judgment enforcement authority by serving levies outside of New York City, the jurisdictional boundary for all City Marshals. City Marshals are limited to the geographical boundaries of New York City when serving executions against personal property. DOI determined that Barbarovich misrepresented that he personally served 107 levies within New York City when in fact his official records contained proof of personal service on only 15 of those levies. Barbarovich has until the end of March 2020 to shut down his business fully and will not accept any new cases or work for another city marshal in the interim
- A construction company operator, foreperson and engineer were indicted for manslaughter in the death of a laborer due to a wall collapse on a Brooklyn construction site. Jiayi "Jimmy" Liu, Wilson Garcia, Paul Bailey and others were indicted in the death of Luis Almonte, who was crushed to death under thousands of pounds of debris. Despite repeated warnings of dangerous conditions at the site from workers and property owners, work did not stop at the site. Liu and Garcia had both been previously arrested by DOI and convicted for construction-related corruption in 2015 on a Manhattan construction site.
- DOI arrested former New York City Fire Department ("FDNY") Fire Protection Inspector Barry Parmanan for issuing violations based on inspections that never occurred. According to DOI's investigation, on at least three occasions Parmanan issued summonses to businesses he never visited or inspected; indeed, Parmanan was in another borough at the time he claimed he was conducting investigations in Manhattan.
- Reginald Williams, the Chairman of the Board of Addicts Rehabilitation Center Foundation, Inc. ("ARC Foundation") and President and CEO of Addicts Rehabilitation Center Fund Inc. ("ARC Fund"), was indicted for stealing more than \$631,271 from not-for-profit organizations that contract with the City and State to provide social services to New Yorkers suffering with substance and alcohol use disorders and HIV/AIDS. Naomi Barrera and Bennie Hadnott were also charged for their roles in Williams' schemes, which involved kickbacks, the use of shell entities to conceal and spend stolen funds, and requesting reimbursements for personal matters that Williams falsely claimed were business expenses.
- Four Individuals were indicted on charges they misused \$376,660 in City funds for personal expenses, including vacations, car payments, and large cash withdrawals at casinos. Renauld Gregg a.k.a. R.A. Gregg, Cheryinne Caro, Olga Hernandez and Andrea Gregg were charged with the theft of thousands of dollars in City funds through the operation of a bogus not-for-profit known as Second Chance Resources Group. Second Chance received funding from the New York City Department of Health and Mental Hygiene and the Department of Youth and Community Development to purportedly provide poor New Yorkers with services including counseling and addiction treatment. The investigation showed that Second Chance provided none of these services and the defendants allegedly submitted false reports to both DOHMH and DYCD to conceal their theft. The funds instead paid for the defendants' personal expenses. The investigation began after a tip to DOI that Second Chance was not present at an event that it claimed to have attended.
- Anna Mendez, a non-profit executive at Tremont Crotona Day Care Center, was convicted of using money stolen from the non-profit to fund straw political donations to New York City Council candidate

Albert Alvarez. DOI, in partnership with State Attorney General Letitia James and State Comptroller Thomas DiNapoli, found that Mendez and her co-conspirator George Gonzalez, provided funds to other employees of Tremont Crotona Day Care Center to contribute to Alvarez. These funds in reality had been stolen from the daycare center. Even though he knew the contribution cards were false, Alvarez submitted them to the New York City Campaign Finance Board to fraudulently obtain at least \$4,500 in public matching funds for his unsuccessful campaign for City Council. Albert Alvarez also pleaded guilty to charges in connection with the case.

- DOI's Office of the Inspector General for the New York City Police Department ("OIG-NYPD") and the New York City Police Department ("NYPD") jointly announced improvements to policies, practices and training on officer wellness and safety after the issuance of the findings of OIG-NYPD's investigation, which sought to understand the effectiveness and use of NYPD's current mental health resources. OIG-NYPD's review found that 25% of the retired officers surveyed anonymously reported experiencing emotional stress, trauma, or substance abuse during their careers that caused them to consider getting support services, yet only two thirds of the respondents reported actually seeking assistance, primarily from non-NYPD sources. NYPD and OIG-NYPD agree that officer wellness and safety are critical issues, and NYPD has committed to strengthening policies and training in this area and working with City entities like OIG-NYPD to ensure services continue to improve.

Indictments and criminal complaints 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.

**DOI's press releases can also be found at twitter.com/NYC_DOI
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