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Department of Investigation

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Release #06-2016  
[nyc.gov/html/doi](http://nyc.gov/html/doi)

**FOR IMMEDIATE RELEASE  
WEDNESDAY, MARCH 2, 2016**

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**DOI INVESTIGATIONS IN CALENDAR YEAR 2015 YIELD MULTIPLE SYSTEMIC CHANGES  
AND AN INCREASE IN ARRESTS**

***—As a result of DOI anti-corruption strategy, more than 560 corruption-related arrests made and 400 reforms recommended in Calendar Year 2015—***

MARK G. PETERS, Commissioner of the New York City Department of Investigation (“DOI”), announced today the agency’s 2015 accomplishments focused on rooting out corruption through systemic investigations, arrests and reports. This broad strategy of looking at corruption vulnerabilities and problems comprehensively within a City agency and throughout the City has had compelling results in Calendar Year (“CY”) 2015 (January 1, 2015 to December 31, 2015). Specifically, DOI investigations have strengthened the City Department of Buildings’ enforcement of the law governing façade inspections, improved contraband screening of City Correction Officers as they enter Rikers Island, exposed the need for homeless shelter contracts to be brought under the City procurement rules increasing accountability of these vendors, prompted agencies to work together on crucial issues such as homeless shelter inspections, construction safety, and safety in public housing developments, among many other outcomes. From CY 2014 to CY 2015, DOI arrests increased by 83%, from 311 to 569, respectively, as did referrals for criminal prosecution which nearly doubled from 376 to 736, respectively; and in CY 2015 DOI made nearly twice the number of recommendations to improve City operations, issuing 448 reforms to City agencies that were subjects of investigations. A graphic of DOI statistics is attached to the release.

DOI Commissioner Mark G. Peters said, “DOI’s anti-corruption strategy is working, using systemic investigations to stop corruption and fraud undermining City government and initiate lasting reform. How do we know DOI is making a difference? Through the reforms already resonating and leading to change, DOI has strengthened the foundation of the way in which the Correction Department screens for contraband and its new hires; protected New Yorkers from unsafe construction and ensured City regulatory agencies comply with the laws on the books; and compelled coordination across agencies such as NYCHA and the NYPD, helping to solve problems and better serve New Yorkers. I congratulate the dedicated staff at DOI for improving integrity in New York City.”

DOI’s major accomplishments in 2015 are listed below and speak to DOI’s strategy of using systemic investigations to both stop corruption through arrests and realize reform through recommendations that address vulnerabilities and change the way government operates.

- **DOI’s Office of the Inspector General for the Department of Correction (“DOC”) investigation into contraband smuggling and inmate assaults has led to arrests, reports and reforms in CY 2015**, specifically more than a dozen arrests of DOC staff on contraband and inmate assault charges; the issuance of two reports, one that exposed serious failures by DOC regarding hiring practices, including more than a third of correction officers hired with corruption and safety red flags and a second report on the serious breakdowns by Corizon Health Inc., the company that formerly provided health care in the jails, findings that were a factor in the City’s termination of the company; and the tangible results of improved screening during DOC’s hiring

more

process and at staff entrances. Arrests included a contraband conspiracy in which a Correction Officer, inmate and two relatives of the inmate at the Manhattan Detention Complex were charged with smuggling of dangerous contraband into the jail, including cell phones and drugs. This investigation, which included DOI undercover operations, led to a sweep that uncovered three other inmates charged with possessing contraband and the discovery of 64 bed sheets tied together in a rope for possible use in an escape. In other investigations, correction officers were stopped at staff entrances bringing in weapons and drugs and searches of their homes uncovered even larger stashes of contraband.

Since 2014, DOI's comprehensive investigation into violence in the City's jails has resulted in the arrest of 26 Correctional staff, the release of three public reports, nearly 20 disciplinary referrals to DOC, the addition of drug-detecting dogs at DOC staff entrances including DOI's drug-detecting canine, Gunner, who has assisted in a number of investigations both on Rikers Island and in other criminal investigations.

These cases demonstrate the power of DOI's robust Inspector General's Office for Rikers, which has already led to tangible reforms that are addressing immediate problems and working toward fundamental change.

- **Exposing and stopping construction-related fraud and wrongdoing** has been a particular focus over the last two years. DOI's investigations have highlighted that safety and integrity go hand-in-hand and its work in this area has led to significant outcomes, including the following:
  - Manslaughter and criminally negligent homicide charges against two companies and two company supervisors in a deadly trench collapse on Ninth Avenue in the Meatpacking District. The investigation found that the defendants failed to heed repeated warnings about unsafe working conditions, including on the day of the fatal incident. DOI worked with its law enforcement partners on this investigation to ensure that companies that do construction in New York City are held accountable when they ignore the law.
  - Uncovering flaws in the way the City enforces façade inspections, and the arrest of a Professional Engineer on a charge of falsely filing a facade inspection report for a Manhattan senior residence. DOI investigators began looking at the issue after a piece of terracotta from that senior residence fell in May 2015, killing a two-year-old girl. Investigators then broadened their scope, systemically examining how the Department of Buildings ("DOB") enforces façade inspections across the City, finding a failure by building owners and DOB. DOI's investigation and public report led to increased inspections by DOB, pressing them to focus on this significant issue.
  - DOI's Inspector General for NYCHA began a proactive program to inspect a range of issues to protect public safety and taxpayer funds within the New York City Housing Authority ("NYCHA") complexes, specifically examining construction quality and contract compliance, observing safety conditions at these sites, interviewing workers and checking for compliance with OSHA, DOB and DOL rules and regulations. Part of this effort is an innovative approach to identify and stop the fraudulent underpayment and theft of workers' wages at these construction sites. As a result of this program, these sites have been made safer and NYCHA has recouped funds, and numerous violations, fines and stop work orders have been issued against contractors. In addition, NYCHA has recovered more than \$1 million from contractors who have violated their contracts with the City.
  - The indictment of 50 individuals, including more than a dozen City employees in bribery-and-kickback schemes between City buildings and housing inspectors and construction industry and building professionals. Beginning with a DOI undercover, this investigation demonstrated how corruption threatens building safety.
  - Arrests of contractors and others on wage theft charges, including an investigation at a school construction site in Brooklyn where workers were prohibited from drinking water during hot, summer months so they would not waste time using the bathroom. In that case, two labor brokers were convicted for stealing wages from workers as part of a kickback scheme. In 2015, DOI's probes into wage theft led to one dozen arrests of

contractors and companies and the return of more than \$720,000 to workers whose wages were stolen.

- In partnership with the Manhattan District Attorney, DOI established a multi-agency Construction Fraud Task Force that focuses on these important investigations. The Task Force brings to one table an array of experts who will share information, expose and stop fraud on construction sites, and hold accountable the individuals who perpetrate it. Expanding that concept, DOI is also working with its law enforcement colleagues at the Brooklyn District Attorney's Office and the Richmond County District Attorney's Office on forming similar task force partnerships.

➤ **Uncovering fraud of public housing dollars and compelling change at the New York City Housing Authority ("NYCHA")**

- In a major public safety investigation, DOI found that neither the New York Police Department ("NYPD") or NYCHA were adhering to the Memorandum of Understanding ("MOU") requiring coordination of efforts to keep career criminals out of public housing. Specifically, DOI found that the two agencies needed to strengthen their procedures on expediently sharing and using information about criminal activity in public housing complexes. The result: the two agencies are now regularly meeting and sharing information, better protecting public housing residents.
- DOI issued a comprehensive report on a systemic threat to the safety of NYCHA employees created by the use and condition of garbage hoists, finding unsafe conditions and resulting in NYCHA adopting DOI's recommendation to shutter use of its garbage hoists.
- DOI arrested three dozen individuals on housing fraud charges, associated with the theft of more than \$1.2 million, protecting these valuable public funds for those who are eligible.

➤ **Exposing fraud by City employees, which undermines the City's ability to properly distribute public assistance funds, oversee day cares, regulate juvenile facilities and maintain records and bodies within the City medical examiner's office.**

- The arrest of two current and two former City employees and 23 co-conspirators as part of four separate investigations of employee fraud at the City Human Resources Administration ("HRA") that uncovered the theft of \$2.4 million of public funds. DOI also issued a report outlining systemic weaknesses and recommending reforms that HRA agreed to implement, ushering in new protocols that safeguard these funds.
- The arrest of two City employees at the City Administration for Children's Services ("ACS") who were charged with bribery and related crimes for assisting a daycare owner previously arrested for overbilling the City and running dangerous sites. DOI's ongoing investigation in this area began in 2014 with the arrest of four daycare operators who were charged with receiving money from ACS for services that were not provided and for running sites that were visibly unsafe.
- The arrest of a youth care worker with Boys Town New York, Inc., which at the time was funded by the City to provide non-secure residential placements for juveniles in Brooklyn and Queens. DOI's investigation resulted in charging the staff member responsible for monitoring the whereabouts of three teens with falsifying a log book indicating the teens were present in the residential facility. Those same teens escaped and were later charged in a serious crime in Manhattan. DOI's investigation into this matter continues.
- The Office of Chief Medical Examiner ("OCME") has moved to terminate two of its employees after DOI found they covered up the mistaken release of remains from the Manhattan morgue. As a result of the investigation, OCME adopted a number of DOI recommendations that strengthened the Office's record-keeping practices and oversight of its daily operations.

- **Examining how the NYPD handles chokehold complaints, currently operates its body-worn camera pilot program, and manages incidents involving use of force by police** including reporting, de-escalation, training and discipline. In each of these separate investigations, DOI's Office of the Inspector General for the NYPD ("OIG-NYPD") found deficiencies and vulnerabilities. In each case, public reports were issued shining a light on NYPD procedures and recommending how they should be improved. These reports capped the first full year of the OIG-NYPD and established how it will examine issues, document its findings and push for needed reforms to improve policing and police accountability.
- **Exposing failures by the City Department of Education ("DOE") to properly supervise schoolchildren and documenting problems with the DOE's internal investigative body**, the Office of Special Investigations, were among the 885 investigations completed by the Office of the Special Commissioner of Investigation ("SCI"), which is part of DOI and oversees the City's schools. SCI received more than 5,500 complaints in 2015, an unprecedented number.
- **Investigating the City's shelters for families with children, finding extensive health and safety problems and calling for the City Department of Homeless Services to use procurement rules to hold shelter vendors accountable and improve conditions.** DOI's investigation and public report led to numerous changes, including the formation of a shelter repair squad correcting numerous violations, phasing out the use of "cluster" sites as shelters, which were not adequately addressing the needs of homeless clients, and DHS' effort to ensure that shelter vendors are contracted under City procurement regulations.
- **DOI and New York City Health + Hospitals signed a Memorandum of Understanding ("MOU") giving DOI control over a new Office of the Inspector General for NYC Health + Hospitals ("NYC Health + Hospitals OIG").** Under the agreement, NYC Health + Hospitals existing internal inspector general's office, which previously reported to NYC Health + Hospitals' President and Board of Directors, will now be under the full authority and supervision of DOI, which is expanding and solidifying staff and proactive anti-corruption strategies for the new NYC Health + Hospitals OIG.

DOI Commissioner Mark Peters recognizes and thanks each of the District Attorney's Offices in the five boroughs, the New York State Attorney General's Office, the United States Attorney's Office for the Southern District of New York and the United States Attorney's Office for the Eastern District of New York, and all of DOI's law enforcement partners, for working with DOI throughout the year on its investigations.

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

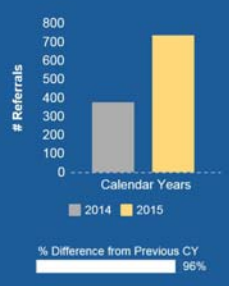
# DOI BY THE NUMBERS CY 2014 & 2015



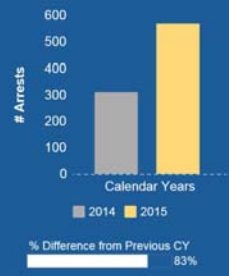
## CURRENT INVESTIGATIONS



## CRIMINAL REFERRALS



## ARRESTS



## RECOMMENDATIONS



## DOI'S INSPECTOR GENERAL FOR THE DEPARTMENT OF CORRECTION SINCE 2014



**37** INMATES ARRESTED



**26** CORRECTION STAFF ARRESTED



**3** COMPREHENSIVE REPORTS ISSUED

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/doinews](https://twitter.com/doinews)  
**See Something Crooked in NYC? Report Corruption at 212-3-NYC-DOI.**