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PRESS RELEASE

**NEW YORK CITY HOUSING AUTHORITY OFFICIALS
PLEAD GUILTY TO TAKING BRIBES**

ROSLYNN R. MAUSKOPF, United States Attorney for the Eastern District of New York, and **ROSE GILL HEARN**, Commissioner, New York City Department of Investigation, announced today that **PEDRO FLAQUER**, the Administrative Chief Engineer for the Design Department of the New York City Housing Authority ("NYCHA"), pleaded guilty today and **WALLACE CHU**, an Architect for NYCHA's Design Department, pleaded guilty yesterday to accepting bribes in exchange for providing a contractor confidential documents relating to NYCHA construction projects. FLAQUER's guilty plea proceedings were held before

Magistrate Judge Roanne L. Mann, and CHU's guilty plea proceedings were held before Magistrate Judge Victor V. Pohorelsky, at the United States Courthouse in Brooklyn.

Under the terms of their respective plea agreements, FLAQUER and CHU each face up to ten years imprisonment and a maximum fine of \$250,000. FLAQUER is also required to pay the government \$1,400 and CHU \$3,500, in restitution.

NYCHA was created by the New York State Legislature to operate and manage public housing projects for the City of New York. NYCHA also commissions and supervises the construction of new public housing buildings and units and the rehabilitation of existing buildings and units. NYCHA's Design Department plans and designs construction, rehabilitation, and maintenance projects for NYCHA properties and obtains estimated costs for the completion of those projects before NYCHA solicits bids from contractors. To avoid conferring an unfair advantage on any particular contractor, the Design Department's list of planned projects and its cost estimates are kept confidential. After bids for a project are solicited and received, the Design Department's cost estimates are used to evaluate the bids and award the contracts.

The government's investigation revealed that, between February and March 2002, FLAQUER, in his capacity as an Administrative Engineer and later Chief Administrative Engineer of NYCHA's Design Department, accepted cash from a contractor totaling \$1,400 in exchange for providing the contractor with lists of planned NYCHA construction projects and their confidential cost estimates.

A related investigation revealed that, between April 2001 and July 2002, CHU, an Architect for the Design Department, accepted cash from a contractor totaling \$3,500 in exchange for providing the contractor with lists of planned NYCHA construction projects and their confidential cost estimates.

In each instance involving the payment of a bribe, the contractor did not submit a bid on a construction project.

Both FLAQUER and CHU have resigned from their positions with NYCHA.

In announcing the guilty pleas, United States Attorney **ROSLYNN R. MAUSKOPF** stated, “These public officials abused their positions of trust for personal gain and in the process corrupted the bidding procedures of the New York City Housing Authority. This office will vigorously prosecute such breaches of the public trust.” **Ms. MAUSKOPF** added that the investigation is continuing.

New York City Department of Investigation Commissioner **ROSE GILL HEARN** stated, “The actions of these defendants tarnishes the many hardworking, honest employees at NYCHA. We will continue to work with NYCHA to root out any corrupt employees and contractors.”

The government’s cases are being prosecuted by Assistant United States Attorney Richard Faughnan.

The Defendants:

PEDRO FLAQUER
DOB: 11/9/47
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WALLACE CHU
DOB: 8/1/28
Residence: 12 Tulip Drive
Glen Cove, New York 11542

