

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Ritchie Torres
Chair, Committee on Oversight and Investigations



Report of the Finance Division on the
Fiscal 2021 Preliminary Plan for the
Special Commissioner of Investigation

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Finance Division

Jack Kern, Financial Analyst
Eisha Wright, Unit Head

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director

Nathan Toth, Deputy Director
Paul Scimone, Deputy Director

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Special Commissioner of Investigation Overview

The Special Commissioner of Investigation (SCI or the Office) for the New York City School District ensures the integrity of the City education system that serves more than 1.1 million students throughout the 650 Elementary Schools, 269 Middle Schools, 386 High Schools, 260 Charter Schools, 30 DOE operated Pre – K and Early Childhood Centers, and 260 K-12, K-8 and Secondary Schools. In total, employing 145,000 staff members as well as vendors across the more than 1,800 schools, working within a \$28.3 billion Fiscal 2020 budget. The Office of the Special Commissioner investigates allegations of corruption, fraud, and conflicts of interest as well as those of corporal punishment and sexual misconduct within the New York City public school system including the many Community Based Organizations that work with the Department of Education.

According to Executive Order 11¹, of the City of New York, published on June 28, 1990 the Department of Investigation (DOI) is obligated to provide whatever assistance the Commissioner of Investigation deems necessary and appropriate to enable SCI to carry out its duties. In addition, SCI reviews, investigates, and makes determinations on all alleged violations of whistleblower protection effecting Department of Education (DOE) employees and vendors under both the NYC Charter and the corresponding Board of Education (BOE) Whistleblower resolution, and serves as the Inspector General for both the Teachers Retirement System and the Board of Education Retirement System.

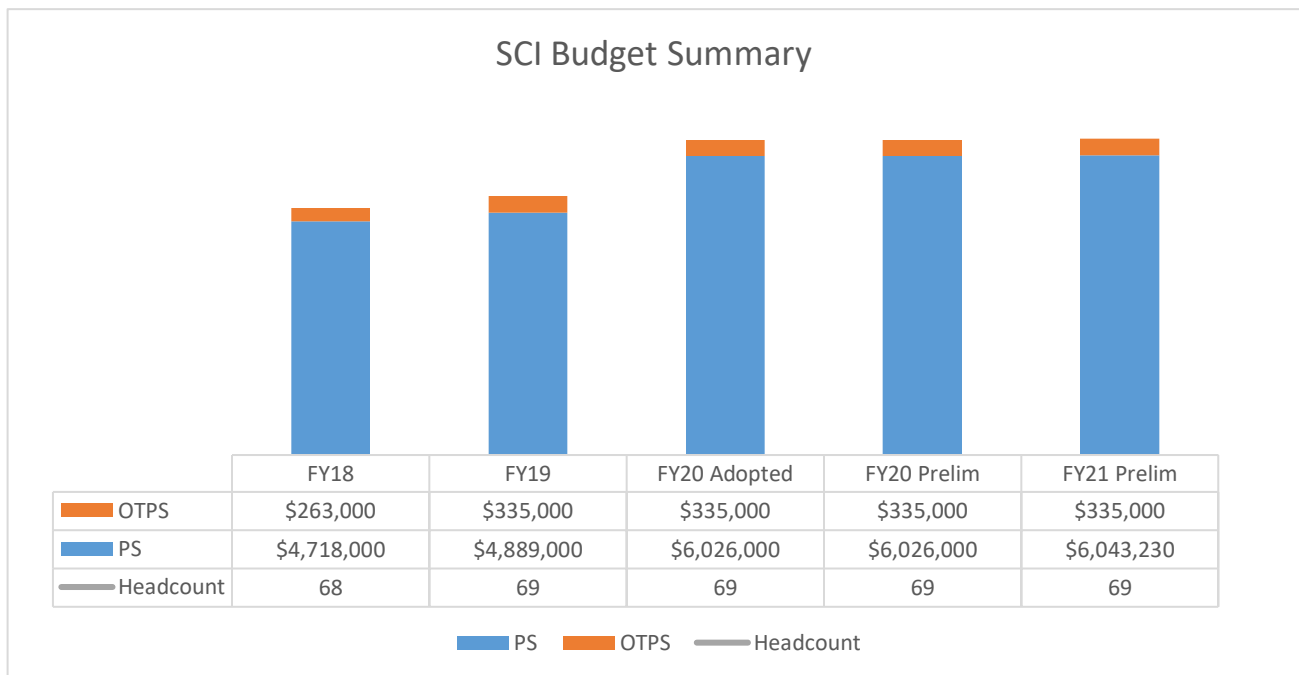
This report provides a review of SCI's \$6.4 million Fiscal 2021 Preliminary Budget. Since SCI is not a City department it does not have its own budget. The SCI is funded within the DOE's budget in the Units of Appropriation for Central Administration. SCI does not have its own U/As for personal services and other than personal services. SCI's budget is just 0.02 percent of DOE's \$28 billion Fiscal 2021 Preliminary Budget. This report also provides an overview of SCI's recently released reports.

Fiscal 2021 Preliminary Budget Highlights

SCI's Fiscal 2021 Preliminary Budget totals \$6.4 million, including \$6 million for PS to support 69 positions and \$335,131 for OTPS. The Adopted Fiscal 2020 budget for SCI was \$6.36 million. In that same Plan, the Fiscal 2021 budget was \$43,000 higher, at \$6.4 million. This planned increase is not a result of new needs or other adjustments. The increase from Fiscal 2020 to Fiscal 2021 is a less than one percent increase when compared to the Fiscal 2020 Adopted Budget of \$6.36 million.

¹ <https://nycsci.org/wp-content/uploads/2018/History/Executive-Order113415.pdf>

Special Commissioner of Investigation						
<i>Dollars in Thousands</i>	FY18 Actual	FY19 Actual	FY20 Adopted	Preliminary Plan		*Difference FY20-FY21
				FY20	FY21	
Spending						
Personal Services						
Full-Time Salaried	\$4,670,648	\$4,816,572	\$6,000,541	\$6,000,541	\$6,043,320	\$42,779
Overtime	0	0	5,000	5,000	5,000	0
Terminal Leave	40,864	67,222	3,686	3,686	3,686	0
Longevity Differential	6,896	6,004	16,071	16,071	16,071	0
Backpay - Prior Years	0	(1,066)	625	625	625	0
Subtotal	\$4,718,408	\$4,888,731	\$6,025,923	\$6,025,923	\$6,065,382	\$42,779
Other Than Personal Services						
Contractual Services	\$262,800	\$335,131	\$335,131	\$335,131	\$335,131	0
Subtotal	262,800	335,131	335,131	335,131	335,131	0
TOTAL	\$4,981,208	\$5,223,862	\$6,361,054	\$6,361,054	\$6,400,513	\$42,779
Budgeted Headcount						
Full-Time Positions	68	69	69	69	69	0
TOTAL	68	69	69	69	69	0

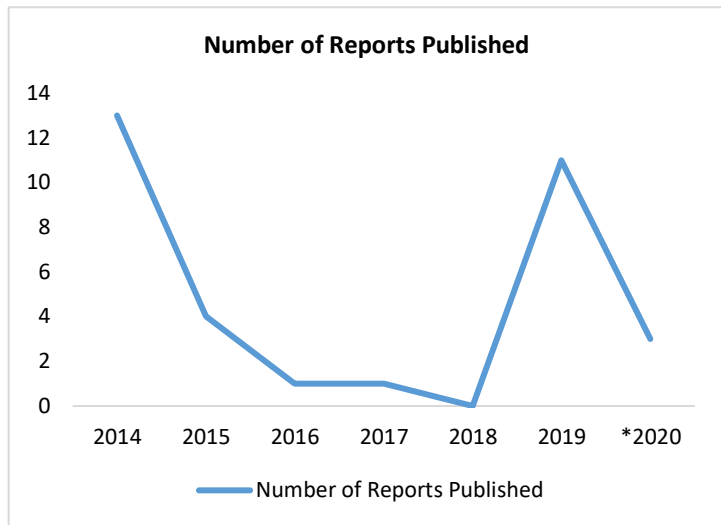


The PS budget accounts for 94.7 percent of the Office’s total budget for Fiscal 2021, and the OTPS budget accounts for 5.3 percent. The Fiscal 2021 budget shows planned growth of approximately \$43,000 to the PS budget and no changes to the OTPS budget when compared to the adopted budget. The November and January Financial Plans did not change the Fiscal 2020 or Fiscal 2021 Budget. Budgeted headcount also remains unchanged at 69 positions. There are no changes in budgeted

As mentioned in the Office’s overview, SCI is a part of DOE’s budget Central Administration budget. The U/As total more than 2,230 positions and \$340 million in Fiscal 2020. Due to SCI being such a small section of DOE and the Central Administration U/A’s, coupled with the budget structure, there is minimal insight for the public into the budgetary structure of SCI. For example, the public is not able to find the title, number of positions and mean salary of SCI employees.

Reports

The SCI releases reports regarding select investigations as well as an annual report. In 2019 the Office published more reports than in the previous four years combined. Reports published in 2019 were focused on vendor integrity ², supervision failure ³, inappropriate relationships between students and faculty ^{4, 5}, embezzlement ^{6, 7}, failure to act ⁸, Medicaid reimbursement ⁹, the Student-to-Student Liaison Program ¹⁰, hot school busses ¹¹, and using DOE resources for private business ¹². Reports are a direct view into the Office, coupled with the new PPR portal, SCI is clearly improving transparency efforts. The portal is a recent addition to SCI’s website, and was required by a local law recently passed by the City Council, requiring SCI and DOI to report PPRs and agency compliance with the PPR. The portal encourages transparency, giving insight to the public about agency wrongdoing and whether recommendations are accepted or rejected by the Department of Education or other city agencies.



*2020 is as of March 27, 2020

² Book vendor failed to provide contractually required discount and free shipping to DOE amounting to an overcharge of \$186,144.

³ Investigation into a DOE principal’s failure to supervise that resulted in a six-year -old student missing from a Brooklyn school.

⁴ An investigation found, Senior Naval Science Instructor, Edward Gunning engaged in a sexual relationship with a 17-year-old student he supervised in the Reserve Officer Training Corps.

⁵ A former Queens High School teacher engaged in inappropriate relationships with multiple students.

⁶ Independent Special Education Teacher Hilary Schornstein embezzled approximately \$80,000 from the DOE through fraudulent billing practices.

⁷ Related Service Provider Jaclyn Petrov received more than \$6,200 from the DOE for services she did not provide.

⁸ Assistant Principal at DOE high school failed to act on report that student convicted in stabbing previously carried a knife to school.

⁹ Taken For A Ride: An examination of the DOE’s Office of Pupil Transportation contract for Medicaid reimbursement for transportation.

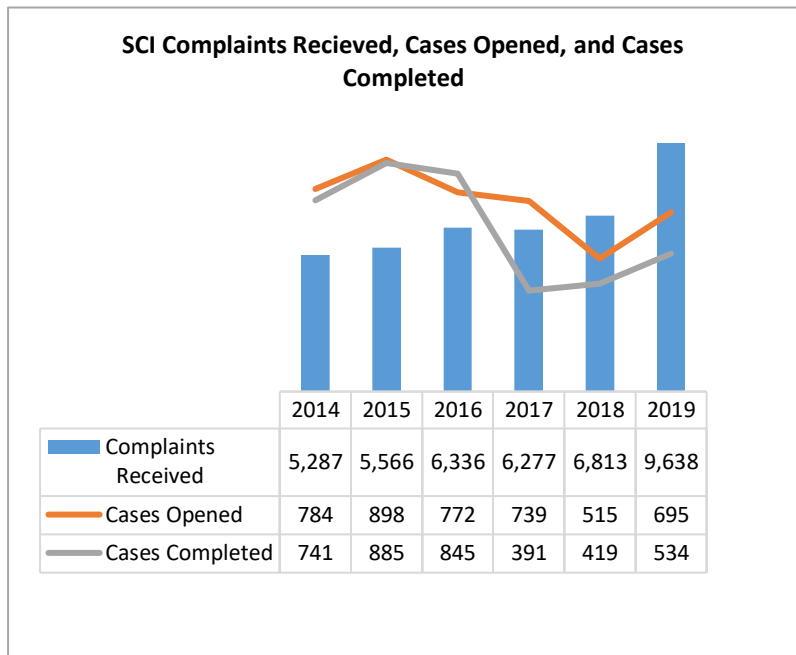
¹⁰ A Review of DOE’s Student-to-Student Harassment Liaison Program

¹¹ Report regarding the Transportation of Students with Special Needs Aboard Dangerously Hot School Buses.

¹² A DOE teacher Karen Gorman, assigned to the Manhattan District 75 Office, pays \$7,000 COIB fine stemming from SCI’s investigation.

Cases

SCI tracks the number of Department of Education related complaints, cases opened, and cases completed. The Office publishes the information in an annual report. Over the last six years, the number of complaints received has increased 45 percent by more than 4,300 complaints. During the same period, the number of cases opened and cases completed has not followed the same trajectory, but instead decreased by 13 and 38 percent respectively. Cases opened and cases completed has fluctuated since 2014.



SCI received a record number of cases in 2019, however it only opened 695. The Office categorizes the type of cases opened across 58 different categories, the largest being Employee Misconduct, with 747 allegations in 2019. Other, Falsifying Documents, Financial Irregularities, and Theft of Service were the other categories with the most allegations.

As an independent division of the Department of Investigation, the Office does not have its own section in the Preliminary Mayor’s Management Report (PMMR), nor metrics in DOE’s section of the PMMR. However, SCI recently published an annual report, documenting metrics similar to those analyzed in the PMMR. Below are the highlights from SCI’s 2019 Annual Report ¹³:

SCI received 9,638 complaints in 2019, the most in its 30-year history.

Specifically, in calendar year 2019 SCI:

- Investigated 695 open cases, as compared to 515 in CY 2018
- Completed 534 investigations, as compared to 419 in CY 2018,
- Substantiated that 246 individuals or entities violated criminal statutes, the Chancellors Regulations or other administrative regulations.
- Made 328 personnel-related recommendations based on the substantiated findings.
 - Of the 328 personnel-related recommendations, 139 resulted in disciplinary actions by the DOE
 - 183 of SCIs recommendations were pending within DOE’s administrative processes as of March 5, 2020.
- Investigated 210 cases that involved sexual misconduct by DOE employees or vendors. 61 allegations were substantiated.
- In 2019, DOE took disciplinary action based on SCI’s investigations, resulting in:
 - 29 terminated employees;

¹³ <https://nycsci.org/wp-content/uploads/2018/Reports/SCI-Annual-Report-CY-2019.pdf>

- 17 employees received written admonishments recorded in their personnel files;
- 47 administrative problem codes were issues as a bar to future employment;
- One employee was suspended without pay
- Seven employees were fined.
- SCI, in its discretion, refers information to other City agencies for review and appropriate action before SCI begins an investigation or review. This includes DOE units, or other agency's that DOE interacts with, such as the New York City Police Department and the Administration for children Services. SCI also refers findings to appropriate agencies. In CY 2019, SCI referred 6,598 complaints to other agencies and referred 24 substantiated findings to prosecutors.

The Special Commissioner's budget has changed slightly over the last five years, however their work, namely interaction with the public has changed. Since the Office re-established its independence from DOI, SCI has made a great deal of its information public, namely the increase in reports and the Policy and Procedure Recommendation portal. The changes are a testament to the leadership of the Office and its dedication to transparency. As SCI continues to grow, the public facing side of the Office will continue to as well.