CITY OF NEW YORK

THE SPECIAL COMMISSIONER OF INVESTIGATION
FOR THE NEW YORK CITY SCHOOL DISTRICT
80 MAIDEN LANE, 20TH FLOOR
NEW YORK, NEW YORK 10038

RICHARD J. CONDON
SPECIAL COMMISSIONER

Telephone: (212) 510-1400
Fax: (212) 510-1550
WWW.NYCSCI.ORG

**FOR IMMEDIATE RELEASE** **CONTACT: Laurel Wright-Hinckson**
**June 3, 2010** **(212) 510-1479**

# Report Released Today

Today, Special Commissioner of Investigation Richard J. Condon released a report describing an investigation, conducted in conjunction with the Office of the Inspector General of the United States Department of Education ("OIG US DOE") and the United States Attorney's Office for the Southern District of New York ("USAO SDNY"), which found that Albert Attoh and others stole $644,313.69 from a DOE Small Item Payment Process ("SIPP") account at JP Morgan Chase. Attoh and the other individuals are not New York City Department of Education ("DOE") employees. The SIPP account was limited to purchases of less that $500, but there was no limit to an Electronic Funds Transfer ("EFT") made from the account. EFTs were not blocked because electronic transfers were not in existence when the account was created. Using the DOE account number and the bank routing number, Attoh allowed individuals to pay personal bills through EFTs and, in turn, he was given cash. Although the DOE received monthly statements regarding the use of the SIPP account, those documents were rarely reviewed, and no one noticed the suspicious transactions.

The defrauding of the DOE occurred from October 2003 through February 2007. The scheme came to light when an unidentified woman informed Chase that someone was trying to pay bills using the SIPP account. Investigators tracked a December 2006 EFT payment of a student loan to an individual who identified Attoh as the person behind the fraudulent scheme.

In July 2008, investigators from the OIG US DOE arrested Attoh who was prosecuted by the USAO SDNY. In March 2009, Attoh pled guilty and he was sentenced in April 2010.

The Special Commissioner recommended to the Chancellor that the DOE take whatever steps are necessary to address the serious lapses of fiscal oversight within the City school system which have been uncovered by investigations conducted by the Special Commissioner's office.

The Office of the Special Commissioner of Investigation is part of the New York City Department of Investigation and Special Commissioner Condon reports to Commissioner Rose Gill Hearn.