

CITY OF NEW YORK
THE SPECIAL COMMISSIONER OF INVESTIGATION
FOR THE NEW YORK CITY SCHOOL DISTRICT

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PRESS RELEASE

October 4, 1994

CORRUPTION IN THE PURCHASING OF SCHOOL AND OFFICE SUPPLIES

**Press Conference:
Special Commissioner's Office
25 Broadway, 8th floor
11 AM**

An investigation by Edward F. Stancik, Special Commissioner of Investigation, conducted jointly with Zachary W. Carter, United States Attorney for the Eastern District of New York, has uncovered purchasing fraud schemes involving 25 Board of Education employees. Criminal charges against six Board employees and two supply vendors were announced today. The wide-ranging investigation into the Board's procurement of school and office supplies, utilizing an undercover supplies company to conduct business with corrupt Board personnel, revealed that throughout the school system -- in district offices, central administration, special education centers and elsewhere -- the Board is victimized by a fraud known as a "credit pool," a slush fund through which funds for school supplies disappear into the hands of corrupt vendors and Board employees. The Special Commissioner will release a report on his findings today, entitled, *Paper, Pencils and Planes to the Caribbean: Corruption in the Purchasing of School and Office Supplies*, detailing the corrupt purchasing activities of Board employees and recommending sweeping changes in the Board's purchasing and inventory system.

Three Board employees will be charged under the federal bribery statute by the office of Zachary W. Carter, United States Attorney for the Eastern District, for entering into illegal purchasing schemes and stealing Board funds. They are: Joan Salvatore, former early childhood program director in Bronx District 12, who purchased a \$1,500 all-expenses-paid vacation to San Juan, Puerto Rico, a 31" television, video equipment and a computer game; Sandra Orter, a central Board administrator, who received over \$20,000 in cash kickbacks; and Robert Mazza, assistant principal at the High School for Leadership and Public Service, who received kickbacks of more than \$5,500, a \$300 gold fountain pen and a \$180 electronic organizer.

The office of Charles Hynes, District Attorney of Kings County, will bring criminal charges against two Board employees and one supply vendor: Helen Stambler, a former instructor for the Board's Arts and Cultural Education unit, who purchased a \$250 electronic organizer and an \$85 computer link; Ronald Bleier, a high school English teacher, who purchased two laptop computers; and Howard Whitman, owner of two supply companies, who assisted our vendor by cashing over \$5,000 in Board checks made out to his company.

The office of Robert T. Johnson, District Attorney of Bronx County, will bring criminal charges against Ilisa Sulner, principal at special education school P.S. 168 in the Bronx, for purchasing a \$230 leather chair for her home.

Present at the press conference today will be Edward F. Stancik, Special Commissioner, Zachary W. Carter, U.S. Attorney for the Eastern District, Robert T. Johnson, Bronx District Attorney, and Dennis Hawkins, Assistant District Attorney and Chief of the Special Investigations Division, Kings County District Attorney's office.

The Special Commissioner's office thanks the Federal Bureau of Investigations, particularly Supervisory Special Agent Mark Codd, for their assistance in the federal investigation.