

July 7, 2009

Hon. Joel I. Klein
Chancellor
New York City Public Schools
Department of Education
52 Chambers Street, Room 314
New York, NY 10007

Re: **Philip Szot**
SCI Case No. 2008-3744

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that Philip Szot, a steamfitter employed by the Department of Education (“DOE”), ordered copper pipe and associated materials purportedly for repairs at nine school buildings, but diverted these materials to his own use.¹ Szot charged the cost of the materials – more than \$20,000 – to the DOE. During the course of this investigation, Szot tried to enlist the help of colleagues employed by the DOE Division of School Facilities (“DSF”) in concealing his theft.

In September 2008, the office of the Special Commissioner of Investigation (“SCI”) received a complaint from DSF Supervisor of Mechanics Angelo Landriscina who reported that Szot, a DSF provisional steamfitter supervisor, ordered unneeded copper pipe materials in order to sell them for scrap and keep the money.

SCI investigators interviewed Landriscina who reported that he reviewed material purchase orders and discovered that Szot ordered large amounts of copper pipe instead of less expensive steel “black pipe.” Landriscina said that steamfitters normally work with black pipe rather than copper pipe. According to Landriscina, the DSF observes a protocol to safeguard excess valuable copper pipe after a school repair job. He explained that the school custodian secures the materials until they are returned to the DSF. Landriscina reported that supervisors such as Szot had a \$1,500 limit on individual material purchase orders for repair projects, and that items in excess of this sum must be

¹ Szot was reassigned to the DSF office during the course of this investigation and has been on medical leave since March 12, 2009.

approved by Landriscina. He said that each of Szot's orders for copper materials were under \$1,500, so his approval was unnecessary. Landriscina said that Szot stored his excess supplies at P.S. 128 in Manhattan, and supervised a work crew of three DSF steamfitters: Michael Storm, Christopher McIntyre and Sonny Curry.

Landriscina described the ordering procedure concerning materials needed for Szot's assigned repairs. After surveying a work site, Szot placed an order for the necessary materials through the internal DOE "passport" ordering system. The requested materials were then shipped from Strategic Distribution, Inc. ("SDI"), a DOE vendor, to the work site, or to the DSF shop located at Vernon Boulevard in Long Island City. Landriscina said that Szot had the authority to return excess materials to SDI for credit to the DOE account.

SCI investigators, accompanied by Landriscina and another DSF Supervisor, Frank Vigilante, visited nine of Szot's work sites in Manhattan for which he had ordered copper pipe and associated supplies (collectively, "copper"). With the assistance of Landriscina and Vigilante, the investigators sought to determine the amount of copper installed and the location of any surplus copper. At each school, Vigilante measured the amounts of copper pipe installed, and Landriscina documented the measurements and descriptions of the copper parts used by Szot's crew. They subsequently determined the value of the copper used at each site, compared it with Szot's purchase orders, and shared the results with the investigators. The purchase orders and the written analysis were obtained by the investigators. SCI investigators also interviewed the school custodian or a custodial employee at each site. The information learned at each site, and the results of the comparisons is outlined below.

- P.S. 83. Custodian Ivan Marti stated that all four old boiler safety valves were removed by Szot's work crew. Marti added that excess black pipe was discarded by his staff, but he did not observe any excess copper pipe left at the site by Szot's crew. The supervisors determined that Szot ordered \$7,853.18 worth of copper, and there should have been an excess of copper materials worth \$4,509.59 which was not accounted for.
- P.S. 155. Custodian James Melicz told investigators that his staff discarded the old iron safety valves which were replaced with new parts by Szot's crew. Melicz stated that he did not observe any excess copper pipe left by the steamfitters. At this school, Szot's crew ordered \$5,620.57 worth of copper, and there should have been an excess of copper materials worth \$1,911.06.
- P.S. 90. Custodian Wilfredo Ramos reported that Szot's crew did not leave any excess copper at the school. Szot ordered \$5,682.46 worth of copper, and there should have been an excess of copper worth \$2,962.64.
- P.S. 101. Custodian Noel O'Shea and Fireman Jose Ramos stated that Szot did not leave any excess copper materials at the completion of the project at their school. The supervisors determined that Szot ordered \$9,622.57 in copper, but that \$5,552.78 worth of these materials was unaccounted for.

- P.S. 108. Fireman Adam Mete stated that Szot did not leave any excess copper at this school. Szot ordered \$4,804.33 in materials, and \$1,810.85 was not accounted for.
- P.S. 8. Custodian Alexander Brener and Fireman Francisco Legedo reported that Szot did not leave any excess copper materials at the school. The supervisors determined that Szot ordered \$1,637.62 worth of copper and there should have been an excess of copper worth \$939.77 which was not accounted for.
- P.S. 30. Custodian Carlos Thomas stated that Szot did not leave any excess copper materials at the school. Szot ordered \$7,018.35 worth of copper; there should have been an excess of copper worth \$1,553.61 which was not accounted for.
- P.S. 79. Custodian Peter Robertin Jr. and Fireman Neville Roper each stated that Szot did not leave any excess copper materials at the school. Szot ordered \$2,544.71 worth of copper; an excess of copper worth \$621.75 was not accounted for.
- P.S. 128. Custodian Ronald Spring stated that Szot did not leave any excess copper materials at the school. Szot ordered \$3,109.77 worth of copper; there should have been an excess of copper worth \$1,226.00 which was not accounted for.

Landriscina furnished SCI with a spreadsheet of his analysis of the copper ordered by Szot based on his purchase orders (and obtained by SCI) and the copper unaccounted for at the nine schools. He determined that Szot ordered copper valued at \$47,893.56, of which \$21,088.05 in copper was missing.

SCI investigators interviewed DOE Steamfitter Christopher McIntyre at the SCI office. McIntyre reported that for the first three months of his employment as a steamfitter, he performed surveys of the work sites and ordered the necessary materials. He said that in either August or September 2006, Szot, his supervisor, took over those tasks. Szot directed McIntyre and his colleagues to report to certain work sites. According to McIntyre, when he arrived at the work sites the materials had been delivered. McIntyre reported that he worked at six of the schools surveyed by the investigators.² He said that there was minimal excess of copper and black pipe materials left with the schools' custodian or fireman. McIntyre recalled that there was some excess copper secured in a third floor closet at P.S. 101.

McIntyre reported that in December 2008, he and Michael Storm, another steamfitter, were present with Szot at P.S. 128 and they observed SCI investigators and DSF supervisors at the school (to conduct the inventory described above). McIntyre said that he, Szot and Storm drove away in a DOE van. During the drive, Szot announced that he had "fucked up." According to McIntyre, Szot then used his personal cellular telephone to call an unknown individual whom he told that he observed the "I.G.s" (Inspectors General, or SCI investigators) at P.S. 128, and that he "needed help." McIntyre said that Szot told him to drive to P.S. 28, where his private vehicle was parked.

² They are P.S. 79, P.S. 83, P.S. 101, P.S. 108, P.S. 128, and P.S. 155.

McIntyre said that Szot told him “that he fucked up and that he had to get copper pipe.” McIntyre stated that he subsequently (approximately December 11 through December 13, 2008) received a text message from Szot on his cellular phone which indicated “I have the package and want to set up a delivery to P.S. 10 with the copper pipe.”

McIntyre reported that Szot told him that he wanted money from McIntyre and Storm to help Szot pay for missing copper pipe. McIntyre stated that Szot also tried to telephone Curry, who did not respond to Szot’s phone calls. McIntyre stated that Szot was present at P.S. 46 on the afternoon of December 11 or 12, 2008 with a “U-Haul” rental truck containing copper pipe. McIntyre stated that Szot “begged” Fireman Anthony Velasquez for his assistance in placing the copper pipe into a storeroom at the school. McIntyre said that Velasquez declined. McIntyre said that during the same week, he visited P.S. 79 and P.S. 143 to perform some assigned tasks. He reported that the P.S. 79 custodian informed him that copper pipe had been delivered, but “the guy with the little arm had removed the copper pipe.” McIntyre took this to be a reference to Szot, who has a deformed arm.³

SCI investigators interviewed DOE Provisional Steamfitter Michael Storm at the SCI office. He stated that he began his DOE employment in April of 2006 and was assigned to Szot’s crew, and that Szot ordered all materials. Storm reported that there was some excess copper pipe secured in a closet at P.S. 101 after the completion of a radiator repair. Storm stated that he had observed DSF Laborer Leonard Ricapito remove excess materials from jobs he had worked on. According to Storm, on December 5, 2008, he left P.S. 128 with Szot after they observed the SCI investigator enter the school. Storm stated that Szot informed him that he “had to go” – apparently in response to the investigator’s arrival. Storm reported that he, Szot, and McIntyre then drove in a DOE van to Szot’s private vehicle. Szot told the group, “I fucked up,” and then used his private cell phone to make calls. According to Storm, Szot asked him and McIntyre for money to help pay for replacement copper, which Szot planned to place in a school. He said that he was doing so because of “rumors” that he “over ordered” copper which subsequently disappeared. Storm told Szot that he wanted no part of bringing copper into a school, and that he had no money. Szot responded, “We are in this together.” According to Storm, Szot telephoned him on December 8th at approximately 8:00 p.m. and said that he was asking people to help him deliver copper to P.S. 10. Szot asked Storm to meet with him at the school. Storm said that he advised Szot that he wanted no part of his plan. Szot replied that if Storm did not help, “we would be in trouble.” Szot added that he “was not going down in this.”

³ Interviewed by SCI investigators, P.S. 79 Custodian Peter Robertin denied making this statement to McIntyre. Robertin said that in December 2007 he observed two 10-foot lengths of copper pipe in the school storeroom, which may have been left from a project prior to his assignment to the school. The custodian said that the copper remained in the storeroom for two months before it was removed by an unknown individual.

SCI investigators interviewed DOE Fireman Anthony Velasquez at the SCI office. He worked as a fireman at P.S. 10 from 5:00 a.m. to 3:00 p.m., and at P.S. 46 from 3:30 p.m. to 8:30 p.m. Velasquez said that on December 11th or 12th, Szot was present at P.S. 10 and wanted to talk to Velasquez. However, Szot left the school, and did not follow up on his request to speak with him. Velasquez said that he heard rumors about Szot “over ordering” copper pipe. Velasquez said that he never observed Szot with a U-Haul truck loaded with copper pipe at P.S. 46. Velasquez said that Szot did not ask him to help unload the copper pipe into P.S. 10 in an attempt to cover up theft of materials. Velasquez said that Szot telephoned him three times on his personal cellular phone on either December 10th or 11th, and he did not answer Szot’s phone calls.

By subpoena, SCI subsequently obtained Szot’s mobile telephone records, which indicated that 32 calls were placed to Velasquez’s telephone on December 10th. Investigators then directed Velasquez to return to SCI for a second interview, at which he was more forthcoming. Velasquez said that in September 2008 Szot told him that “the I.G. is investigating” him, and that he might need Velasquez’s help to gain entry into P.S. 10. Szot asked Velasquez, “Can you help me put copper pipe back into P.S. 10?” Velasquez said that he told Szot he could not help him with this request. The fireman reported that Szot approached him again in mid-November 2008 with the same request, which Velasquez declined. He said that Szot approached him at P.S. 10 either on December 11th or 12th, and again asked for his help in returning copper to the school over a weekend. Velasquez said that he again declined and told Szot, “Why are you getting me involved in this?” Szot responded “You are right.”

Velasquez said that on December 5th (the day SCI investigators appeared at P.S. 128), Szot telephoned him and said, “Tony I fucked up, I made a bad call.” According to Velasquez, Szot was crying, and asked if there was any way that the fireman would help him. Velasquez said that he refused Szot’s overture and angrily told him, “You are stealing stuff and trying to get me involved.” Szot then expressed concern that Velasquez would report him.

Velasquez was shown Szot’s mobile telephone records. Contrary to his prior statement, they show that on December 10th, 32 calls were placed from Szot’s phone to Velasquez’s phone. Each call was less than one minute. Velasquez told investigators that he had been “confused” about the number of calls he had received from Szot.

SCI investigators interviewed DOE Steamfitter Sonny Curry at the SCI office. Curry said that when he started with the DOE in May of 2006, he was assigned the task of surveying and ordering materials for steamfitter repairs. He reported that approximately three months later, Szot took over this task from him. Curry said that he worked at P.S. 90, P.S. 83, P.S. 101, P.S. 30, P.S. 79, and P.S. 128 on steamfitter projects. He stated that at three of these schools, copper pipe in excess of 10 feet in length was left at the site and then removed by DSF Construction Laborer Leonard Ricapito for storage at P.S. 128. Curry reported that he was present at P.S. 30 one day in

September 2008 and observed a surplus of 20 feet of copper pipe. He returned to the school a few days later and saw an additional 50 feet of surplus copper pipe at the school. Curry said that Szot directed Ricapito and him and to take the (70 feet) of copper pipe to the storeroom at P.S. 128. Curry said that he and Ricapito made the delivery as directed. Curry reported that in subsequent visits to the P.S. 128 storeroom, he did not see the copper he had delivered.

Curry told investigators that Szot telephoned him on his personal cellular phone in early December 2008 and advised him that he (Szot) was being watched. He asked Curry if anyone had spoken to him concerning an investigation. Curry asked Szot what he was referring to, and Szot told him not to worry about the matter.

SCI investigators interviewed Leonard Ricapito at the SCI office. He said that he had been employed with the DOE since 2006, and that he worked on Szot's crew from January through July 2008. Ricapito said that he worked at P.S. 90, P.S. 30, and P.S. 128 under the supervision of Szot. Ricapito said that at Szot's direction, he transported excess copper pipe from P.S. 90 (20 feet) and P.S. 30 (50 feet) to the storeroom at P.S. 128. Ricapito said that after he was re-assigned from Szot's crew in July 2008, he had no further contact with him.

SCI investigators interviewed DSF Steamfitter Helper Frank Avila at the SCI office. He said that for most of 2008, he was assigned to the DSF shop on Vernon Boulevard in Long Island City. Avila said that Szot ordered the materials necessary for assigned projects through SDI, which had a warehouse at the same Vernon Boulevard address. SDI delivered some of Szot's orders to Avila's workshop, and Avila fabricated the materials per Szot's specifications for delivery and installation at various work sites. Avila said that Szot never approached him at the shop to cut copper pipe that was not part of a DOE material work order.

In April 2009, Szot's attorney advised an SCI attorney that Szot was unavailable to be interviewed due to medical reasons. The attorney furnished a letter from Szot's physician, and a copy of an application Szot filed with the DOE requesting leave under the Family and Medical Leave Act (FMLA).

Philip Szot diverted more than \$20,000 in supplies ordered on the DOE's account to his own use. When he became aware that his actions had attracted the attention of SCI investigators, he unsuccessfully sought the help of other DOE employees to help cover up his repeated thefts. We recommend that Szot's employment be terminated and that he be placed on the ineligible list and barred from future employment with the DOE or its affiliates.

We are referring this matter to the District Attorney of New York County for whatever action he deems appropriate.

We note that some of the conduct committed by Philip Szot described herein may violate the conflicts of interest provisions of the New York City Charter which is administered by the New York City Conflicts of Interest Board.

We are sending a copy of our report and of our recommendations to the Office of Legal Services. Should you have any inquiries concerning this matter, please contact Deputy Commissioner Gerald P. Conroy, the attorney assigned to this case. Please advise Deputy Commissioner Conroy within 30 days of receipt of this letter what, if any, action has been taken or is contemplated with respect to Philip Szot. Thank you for your attention to this matter.

Sincerely,

RICHARD J. CONDON
Special Commissioner
of Investigation for the
New York City School District

By: _____
Gerald P. Conroy
Deputy Commissioner

RJC:GPC:gm

c: Michael Best, Esq.
Theresa Europe, Esq.