

August 24, 2010

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

Re: Debbie Rizzo
SCI Case #2009-2426

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that Debbie Rizzo, a school secretary who had been assigned to Middle College High School at LaGuardia Community College (“Middle College HS”) in Queens, used Department of Education (“DOE”) resources and funds for her personal use.¹ Rizzo misappropriated thousands of dollars using the school’s Procurement Card (“P Card”) and the Small Item Payment Process (“SIPP”). She also created false invoices.

This investigation began in June 2009, when Principal Linda Siegmund contacted the office of the Special Commissioner of Investigation (“SCI”) and lodged a complaint against Rizzo. Siegmund explained that Rizzo’s 14-year-old granddaughter (“Student A”) had reported a number of allegations of misconduct and theft committed by Rizzo.²

SCI investigators met with Student A who said that Rizzo gave her a DOE laptop computer to use when the girl was hospitalized about a year earlier.³ Student A added that Rizzo used money from the school accounts for personal transactions. According to Student A, she had not spoken to Rizzo for at least five months because Rizzo was a compulsive liar and had stopped paying Student A’s telephone bill.

¹ Rizzo’s employment was terminated on July 1, 2009, as a result of licensing issues. She remains eligible for work in the City school system.

² Student A has turned 16.

³ Student A was interviewed in September 2009.

The assigned SCI investigator obtained records of transactions made by Rizzo through Amazon.com from 2003 to August 2009. Assistant Principal Socrates Ortiz and Assistant Principal Kim Marsh reviewed the records and determined which merchandise was not present and accounted for at Middle College HS. They also identified items which were not legitimate purchases for Middle College HS; these included children's books and stuffed animals, hanging shoe bags, draperies, a wicker hamper, bed post hold backs, a cotton candy fabric cornice, a single dry food dispenser, a men's merino wool sweater, BlackBerry device accessories, five "Webkinz," seven ceiling fans, and a pink iPod docking station.

In an interview with investigators from this office, Debbie Rizzo said that she had been paying for Student A's cell phone, but when she stopped doing so, Student A apparently became upset and reported allegations against her. Rizzo acknowledged that she "borrowed" a laptop computer from Middle College HS when Student A was in the hospital "just before the Christmas break" in 2008. Rizzo claimed that she did so in case Student A had homework to do and to keep Student A entertained because the family had no money to pay the fee for a television. Rizzo said that she had signed out the computer and had signed it back in about a week later.

Rizzo continued that she was the only person responsible for P Card purchases at Middle College HS and that she handled the purchasing of books, including transactions with Amazon.com. Rizzo claimed that "99.5%" of the Amazon.com purchases were books. Rizzo then reviewed the records which showed questionable transactions and identified the ceiling fans as a personal purchase. Rizzo asserted: "Perhaps the stuffed animals and children's books were for a fair," but she had no explanation for the other merchandise identified by the assistant principals as items which were not purchased for the school. Rizzo claimed that the personal purchases were "accidental" and that she "made a mistake in judgment."

SCI investigators spoke with Middle College HS Computer Technician Enock Charlotin who reviewed records and reported that he could not find any documentation showing that Rizzo had signed out a laptop computer from the school's inventory.

A review of records relating to the Middle College HS SIPP accounts for the 2008 and 2009 fiscal years revealed that Rizzo approved the SIPP purchases using Siegmund's code for authorization. Assistant Principal Ortiz discovered several questionable transactions made during that time period, including payment of Rizzo's cellular phone bills and payments to New Pronto Transportation, Inc. Rizzo used SIPP checks to pay her personal cellular telephone and Internet service invoices in March 2009, October 2008, April 2008, February 2008, December 2007, and October 2007; these payments totaled \$1,498. Through additional SIPP checks, Rizzo paid New Pronto Transportation, Inc., a car service she and her family members used on many occasions between September 2007 and March 2009; these payments totaled \$1,137.50.

The assigned SCI investigator reviewed Middle College HS P Card records and discovered that Rizzo purchased a Frigidaire washer and dryer combination from P.C. Richard & Son and had the appliances delivered to "Middle College High School," but at an address which corresponded to a private residence in Howard Beach. The records also showed that Rizzo ordered a pink Dell Notebook computer from Staples and furniture from Mattress & Furniture. The invoice for Mattress & Furniture referred only to a \$277.31 purchase of tables for the cafeteria, but the total listed on the bill and the amount paid by the P Card was \$2,218.49, which included a \$150 delivery charge.

On Rizzo's computer, SCI discovered two invoices from Van Dam Theater and Van Dam Transportation, which were identical to Foxy Floral invoices. The investigator determined that the Van Dam Theater and Van Dam Transportation did not exist.

SCI investigators interviewed Adria Graffeo, the owner of Foxy Floral/Foxy Lady Hair Salon in Middle Village. Graffeo reviewed two invoices from April 2008, which billed Middle College HS \$200, and responded that she did not recognize them. Graffeo said that she did very little business with Middle College HS except for an occasional sale of boutonnieres.

SCI investigators visited Graffeo a second time to request records. Graffeo asserted that she did not realize that the investigators were "real" and admitted that she was not entirely truthful during the first interview. Graffeo said that she became friends with Rizzo who was a customer at Graffeo's hair salon. Graffeo added that the invoices which she used were too small to send by fax so Graffeo allowed Rizzo to create her own Foxy Floral invoices, which contained an agreed upon price, and then fax them to Graffeo. Graffeo maintained that she had no other business dealings with Rizzo.

SCI investigators met with Principal Siegmund who said that Rizzo handled all of the purchasing for Middle College HS and she had no knowledge about personal transactions made by Rizzo, including the Amazon.com expenditures, the payment of Rizzo's cellular phone bills, and the payments to New Pronto Transportation, Inc. for car service. Siegmund added that the pink Dell Notebook computer and the Frigidaire washer and dryer combination also were ordered without her knowledge. Siegmund confirmed that the school ordered tables for the cafeteria from Mattress & Furniture, but she could not explain the apparent additional purchase which caused the invoice and payment to exceed \$2,000.

In an interview with investigators from this office, conducted in the presence of her attorney, Rizzo asserted that \$1,498 spent for her personal BlackBerry cell phone was an approved reimbursement because Rizzo received calls on her phone when DOE personnel called in sick. Rizzo acknowledged that she created the Van Dam Theater and

Van Dam Transportation invoices and suggested that she may have done so for bidding purposes; however, she had no actual recollection because it took place in 2005. Rizzo said that she had created other invoices, including the Foxy Floral document, as well. Rizzo admitted that one of the Foxy Floral invoices, totaling \$165, was for delivery of balloons and flowers to her former residence and, therefore, she had used DOE funds for a personal purchase.⁴

Rizzo also admitted:

- She used DOE funds to buy a \$599.98 pink Dell Notebook computer from Staples for her personal use;
- She bought furniture for the school from Mattress & Furniture, at a cost of \$277.31, and the balance paid to the store – \$1,941.18 – was for a couch purchased for Rizzo’s daughter, Nicole;
- The \$1,137.50 paid to New Pronto Transportation, Inc. for car service was for Rizzo’s personal use; and
- She bought the Frigidaire washer and dryer combination from P.C. Richard & Son, at a cost of \$949.77, with a DOE P Card, using the school name, and the merchandise was delivered to her daughter, Nicole.

It is the recommendation of this office that Debbie Rizzo be made ineligible for work with the DOE and that this matter be considered should she apply for any position in the New York City public school system in the future.

We are referring our findings to Queens County District Attorney Richard A. Brown for whatever action he deems appropriate.

We note that the conduct committed by Debbie Rizzo 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.

This case is another example of a DOE principal who did not supervise the fiscal management of a school. In a number of investigations, we found that school administrators failed in that task for a variety of reasons: deliberately, negligently, through incompetence, and through inattention. We again recommend that the DOE take whatever steps are necessary to correct the problems associated with school level finances.

⁴ SCI investigators confirmed that the second purchase from Foxy Floral, totaling \$45, was for a birthday gift sent to the former principal of Middle College HS.

We are forwarding a copy of this letter and of our report concerning this investigation to the Office of Legal Services. We also are sending our findings to the State Education Department for whatever action it deems appropriate. Should you have any inquiries regarding the above, please contact First Deputy Commissioner Regina Loughran, the attorney assigned to the case. She can be reached at (212) 510-1426. Please notify First Deputy Commissioner Loughran within 30 days of receipt of this letter of what, if any, action has been taken or is contemplated regarding Debbie Rizzo. Thank you for your attention to this matter.

Sincerely,

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

By:

Regina A. Loughran
First Deputy Commissioner

RJC:RAL:gm

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