

December 19, 2012

Hon. Dennis M. Walcott
Chancellor
New York City Public Schools
Department of Education
52 Chambers Street, Room 314
New York, NY 10007

Re: Thomasina Chappell
SCI Case #2012-6369

Dear Chancellor Walcott:

An investigation conducted by this office has substantiated that Department of Education (“DOE”) Clerical Associate Thomasina Chappell accepted monetary bribes from a DOE vendor to process fraudulent billing documents for related services that were not provided.¹

The initial investigation began in February 2012, when the Office of the Special Commissioner of Investigation (“SCI”) received a complaint about the authenticity of a number of billing documents submitted by Nelson Ruiz, the owner of Bilingual Words In Motion (“BWIM”) and other companies.² The forms submitted by Ruiz were purportedly for sign language interpretation services for 11 children with special needs, but none of these services was ever provided to the students. The investigation determined that Ruiz defrauded the DOE using six related service provider companies that he controlled, including BWIM, to bill the DOE approximately \$2.7 million, from 2008 through June 2012, for services that were not provided. In the course of the Ruiz investigation, SCI investigators learned that, during this four year period, Chappell received monthly payments from Ruiz to process his fraudulent sign language interpretation invoices.

¹ Chappell resigned from the DOE in November 2012. She is currently on the ineligible list.

² The findings of the BWIM investigation, SCI Case #2012-0709, were released in a public report in August 2012.

In an interview with SCI investigators, Chappell admitted that she had been receiving monthly payments of approximately \$700.00 from Ruiz beginning in 2008 and continuing until around May of 2012. Chappell said that the first time she received the money was in 2008 when Ruiz dropped off an envelope on her desk that contained the Related Service Authorization (“RSA”) forms for payment and \$700.00 in cash.³ Chappell claimed that the next time she saw Ruiz she returned the money and insisted that she could not accept it. Ruiz then responded, “okay.” Chappell added that the following month when Ruiz submitted his RSA documents to her, she again found an envelope with \$700.00 cash and this time Chappell kept the money. Chappell recounted that Ruiz asked whether she would process his billing forms for him, which she did. Chappell stated that she reviewed the forms and they “looked good” so she processed the documents and inputted the data so Ruiz could receive payment from the DOE.⁴ Chappell claimed that she and Ruiz had no further conversation about the money and she continued to receive the payments until approximately May of 2012.

On December 17, 2012, Nelson Ruiz pled guilty in the Southern District of New York to defrauding the DOE out of approximately \$2.7 million and to bribing a DOE employee in furtherance of the fraud scheme. During his plea allocution, Ruiz admitted that he willfully, knowingly, and corruptly paid hundreds of dollars each month in bribes to a DOE employee and in exchange the employee expedited the processing and payment of his fraudulent billing invoices.

During a disciplinary conference held on November 9, 2012, Chappell admitted that she had taken money from Ruiz. On November 30, 2012, Chappell resigned from the DOE. An investigation into Chappell’s conduct is ongoing.

It is the recommendation of this office that Thomasina Chappell continue to be ineligible for work with the DOE and that this matter is considered should she apply for any type of employment with the New York City school system in the future.

³ RSAs are specifically for development, corrective, or other support services. Examples include physical therapy, occupational therapy, and speech therapy.

⁴ During the investigation, SCI investigators learned that for at least the past two years, prior to travelling to Brazil for several months, Ruiz submitted to Chappell post dated invoices. Chappell would retain these documents and submit them for payment when they became due.

We are forwarding a copy of this letter to the Office of Legal Services. Should you have any inquiries regarding the above, please contact Special Counsel Valerie A. Batista, the attorney assigned to the case. She can be reached at (212) 510-1417. Please notify Ms. Batista within 30 days of the receipt of this letter as to what, if any, action has been taken or is contemplated regarding this investigation. 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:VAB:ss

c: Courtenaye Jackson-Chase, Esq.
Laura Brantley, Esq.