

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

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**SEVEN YEARS PAY FOR ZERO DAYS WORK:**  
*An Investigation Into James Hardy's Fraudulent Employment  
with the Board of Education*

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**EDWARD F. STANCIK**  
SPECIAL COMMISSIONER

**ROBERT M. BRENNER**  
FIRST DEPUTY COMMISSIONER

BY: **LAURA A. ZUCKERMAN**, SPECIAL COUNSEL  
**THOMAS COMISKEY**, DEPUTY CHIEF INVESTIGATOR  
**ROLANDO LEE**, FINANCIAL INVESTIGATOR

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## ACKNOWLEDGEMENTS

This inquiry was conducted under the supervision of First Deputy Commissioner Robert M. Brenner, Chief Investigator Thomas Fennel, Deputy Chief Investigator Thomas Comiskey, and Supervising Investigator Thomas Hyland. Financial Investigator Rolando Lee conducted numerous interviews and analyzed volumes of financial documents.

Technical Assistance in this case was provided by former Investigator George Johansen and Investigator Michael McGarvey.

Assistant Supervising Investigator Andre Jenkins, Assistant Supervising Investigator Larry Kendricks, and Investigators Santiago Martinez, Eric Anahory, Dennis Boyles, Louis Scarcella, Luis Cid, Thomas Coyne, and Joseph DeNapoli also aided in this investigation.

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## INTRODUCTION

From September 1990 to January 1998, James Hardy picked up his Board of Education (“BOE”) paycheck every two weeks like any other employee. But, unlike the typical employee, Hardy did not work for the BOE during the seven years that he was paid an average salary of \$26,500. In fact, over that time, he received a total of \$193,259.21 in unearned wages, favorable performance evaluations, and yearly salary raises.

Hardy was able to steal this money because the BOE never removed him from its payroll after he stopped working for the school system. From 1984 to 1990, he was enrolled in the Substitute Vocational Assistant (“SVA”) program, which trains participants (“interns”) to become permanent vocational teachers through a combination of classroom service and paid occupational work experience.<sup>1</sup> During that time, Hardy reported to various job sites and assisted vocational teachers at a BOE facility. However, when his internship ended, he stopped showing up to work – except on payday. The fact that Hardy continued to earn a salary for seven years after he graduated reveals the extent to which the program was mismanaged.

The SVA program currently has a budget of approximately 1.9 million dollars and is funded by a New York State (“State”) grant. It is run by both the Division of Human Resources (“DHR”) and the Division of High Schools (“DHS”). Central

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<sup>1</sup> The program’s duration is from five to five and one-half years.

administrators, however, do not oversee the interns on a day-to-day basis, meeting with them only once a month at an SVA group gathering. The rest of the time, interns work at particular schools and job sites to which they are assigned. An intern serves a number of months each year at a school under the supervision of an experienced teacher, and the remaining months at a job location, working with a trained technician. Every other week, regardless of where he is working, an intern's paycheck is sent to his designated school site.<sup>2</sup>

Hardy enrolled as an SVA intern in September 1984 to learn carpentry and cabinet making. For five and one-half years, he worked at various job sites as well as at Harry Van Arsdale High School ("Van Arsdale") in Brooklyn,<sup>3</sup> where he received his paycheck twice a month. Hardy completed the program, but could not obtain a teaching license because he failed the required final examination in August 1990.

In September 1990, Hardy learned that paychecks in his name were still being generated and sent to Van Arsdale. Armed with that knowledge, he never returned to the program or to work at Van Arsdale, but submitted false time sheets and other forged instruments to convince school personnel that he was still working for the BOE. Hardy's time sheets were purportedly signed by two individuals who worked at other vocational high schools. However, according to one, her signatures were forged, and the other person did not exist.

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<sup>2</sup> For purposes of this report, SVA interns are referred to as "he," although both men and women are enrolled in the program.

<sup>3</sup> Van Arsdale was previously known as Eli Whitney High School.

Incredibly, after it was discovered that Hardy erroneously received a salary for seven years and he was taken off the payroll, the former intern went to the BOE's unemployment division in an attempt to collect further compensation. During his meeting with an individual who he thought was a BOE unemployment officer, Hardy claimed that he was at Van Arsdale and one job site from 1990 to 1993 and then exclusively at Van Arsdale until 1997.<sup>1</sup> Yet, nothing about that story proved to be true: no one at the job site had ever heard of Hardy, and educators at Van Arsdale said that he did not work at the school after 1990.

How could Hardy be paid for seven years without working? The answer lies in a series of breakdowns that occurred centrally and at the school level. Initially, in the fall of 1990, the SVA coordinator, Dwight Threepersons, failed to tell DHR to take Hardy off the payroll. Then, when Threepersons resigned shortly thereafter, none of his successors realized that Hardy was still getting paid. At the same time, for seven years, individuals in DHS, who were responsible for allocating the SVA budget, kept reallocating funds for Hardy, unaware that he was no longer an intern.

At the school level, Van Arsdale administrators were not suspicious even though Hardy appeared on the payroll as an SVA intern for twelve years, more than double the duration of the program. Nor did they question obvious forgeries or reject unverifiable time sheets that he submitted. Furthermore, school officials disregarded numerous letters from SVA administrators, which listed the interns assigned to Van Arsdale, but did not include Hardy.

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<sup>1</sup> This individual was, in fact, an investigator from this office who was working in an undercover capacity.

In addition to distributing his paychecks from 1990 to 1997, Van Arsdale administrators gave Hardy satisfactory evaluations – the highest rating that an employee can receive.<sup>2</sup> Although they scored Hardy on categories such as pupil guidance and classroom management, those responsible claimed that the annual evaluation was not performance based, but simply a tool to record and rate attendance. Even under this standard, Hardy earned satisfactory marks without showing up.

Finally, the BOE not only compensated and formally evaluated Hardy, it gave him cost-of-living salary raises at the end of each year. He earned \$25,000 when he completed the program in 1990, but by 1997, his annual wages were over \$27,500.

What follows is an account of the SVA program, and how its disorganization, and lack of communication with other parts of the BOE, along with the oversights of educators at Van Arsdale, allowed Hardy to earn \$193,259.21 over the course of seven years without doing anything except showing up on payday.

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<sup>2</sup> Hardy's file did not include an evaluation form for June 1992.

## **THE SVA PROGRAM**

### About the Program

The SVA program was created in 1984 to meet the need for qualified teachers in a number of trade areas.<sup>3</sup> Interns, who are recent high school graduates, train for five years in order to become licensed vocational teachers in New York City public high schools. While in the program, they earn 90% of a teacher's salary and fringe benefits, including health insurance.

Three separate units of the central BOE oversee the SVA program. A staffing unit in DHR is responsible for putting the interns on the payroll, a budget office in DHS ensures they are paid out of a State grant, and SVA coordinators handle the day-to-day administration.<sup>4</sup>

Over the last fourteen years, the program has had from forty to one hundred interns at a given time.<sup>5</sup> Each participant works at separate locations, interning under a teacher at a vocational public school and aiding a trained technician at a job site. While at the school, an intern formulates lesson plans and instructs students. At his job, he performs the "hands-on" activities required of his trade area. SVA interns also attend college classes in the evening. Program administrators do not have regular contact with the interns, other than at a monthly SVA meeting.

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<sup>3</sup> Trade areas include, but are not limited to, carpentry and cabinet making, auto mechanics, plumbing, aviation maintenance, electronics, cosmetology, and dress making.

<sup>4</sup> This unit was part of DHR until 1994, but now operates out of DHS.

<sup>5</sup> Currently, the SVA program has approximately forty-seven participants.



Each year, an intern alternates between working at his school sites, and various job sites, spending a number of months at one location before transferring to the other. He always receives his bi-monthly paycheck at his school site regardless of where he is working.

While an intern performs his apprenticeship duties at his school and job site, he is also responsible for earning the requisite number of college credits and securing post-graduation employment. Then, upon completion of the program, he must take a final examination in order to get certified as a vocational teacher.<sup>6</sup> Most interns successfully complete the test and are immediately transferred from the SVA payroll to the payroll of the school at which they are going to teach. However, if an intern fails the examination, and therefore is uncertified to teach elsewhere, he is supposed to be removed from the BOE's payroll, although he can retake the test in the future.

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<sup>6</sup> This examination is administered by a vocational instructor and requires that the intern complete a series of manual tasks relating to his trade area.

James Hardy: Legitimate SVA Intern  
September 1984 to August 1990

James Hardy enrolled as an SVA intern in the fall of 1984 to learn carpentry and cabinet making. During the next five years, Dr. Nicholas Aiello was the SVA administrator, and Dwight Threepersons assisted him as the coordinator.<sup>7</sup> The program was also governed by a Policy Advisory Committee, which was made up of teachers, principals, and SVA program personnel, who met once a month to discuss current issues relating to the SVA program.

While Hardy was in the program, he worked alongside teachers and occupational supervisors and was enrolled in the appropriate college courses. Hardy's designated school site was Van Arsdale, where the BOE sent his paycheck. Twice a month, he picked it up from the Van Arsdale payroll secretary, Carla Barnet.

After five and one-half years, Hardy applied to become a licensed teacher. He submitted his teaching application on January 2, 1990. During the months that followed, Hardy obtained the requisite college credits and got security clearance after his fingerprint check. However, in August 1990, he failed the final examination.<sup>8</sup> As a result, he completed the SVA program but was unable to obtain his license or a regular teaching position with the BOE.

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<sup>7</sup> Aiello went to work in another area of the BOE in October 1989.

<sup>8</sup> Threepersons could not explain why Hardy took his examination six years after he began the program as opposed to five and one-half.

## **THE BOE CONTINUED TO PAY HARDY AN SVA INTERN'S SALARY**

Fall 1990 to Spring 1993<sup>9</sup>

As soon as Hardy completed the SVA program, he should have been removed from the BOE payroll. However, as a result of the errors addressed below, paychecks in his name were still sent to Van Arsdale, and the former intern went there twice a month to claim them – even though he was no longer doing any work for the BOE. In addition, Hardy submitted fraudulent documents, which indicated that he worked at other vocational schools. Hardy's submissions did not conform to SVA procedures, but educators distributed his paychecks without question.

### Hardy's False Time Sheets and False Explanations

Hardy submitted time sheets from September 1990 to June 1993 that indicated he worked at two other BOE high schools, but, in fact, during this time he had no association with either of these schools or with Van Arsdale.

From September 1990 to June 1992, Hardy submitted forms, which were signed by "Vic Baldwing," indicating that he was at the School of Cooperative Technical Education ("Co-op Tech").<sup>10</sup> Yet, Robert Yurasits, who has been the principal at Co-op Tech since 1984, said that neither Hardy nor Vic Baldwing had been employed at

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<sup>9</sup> During these three years, Gloria Nagle ran the SVA program. Three persons had resigned in October 1990.

<sup>10</sup> We were unable to locate time sheets submitted by Hardy from February 1992 to May 1992.

the school during the past fourteen years. Moreover, Hardy described some of his activities at Co-op Tech as “meeting with Principal” and covering class for “Mr. Peters.” But, Yurasits never met with Hardy, and no one named Mr. Peters ever taught at the school. Finally, according to Yurasits, Co-op Tech stopped offering cabinet making in 1984 and never had an SVA intern in its carpentry program.

The time sheets that Hardy submitted from September 1992 to June 1993 also contained false information. Each month, Hardy submitted forms purportedly signed by “Joanne Frank – AP,” certifying that he worked at Co-op Tech and George Westinghouse High School (“George Westinghouse”) on alternating weeks. Yurasits, at Co-op Tech, said that no teacher or administrator named Joanne Frank had ever worked there. Felicia Hershkowitz, who has been the payroll secretary at George Westinghouse for the past fourteen years, said that her school never employed Hardy or anyone named Joanne Frank. We learned that an individual named Joanne Frank taught college courses to SVA interns, including Hardy in 1988, at the City College of New York and its off site location, which was George Westinghouse. However, according to Frank, she did not sign the time sheets.

In 1998, Hardy gave our investigator a different, but equally erroneous, account of his whereabouts from 1990 to 1993.<sup>11</sup> He claimed he was working at Van Arsdale

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<sup>11</sup> Hardy spoke to our investigator, who was working in an undercover capacity, on February 3, 1998. This conversation will be discussed in more detail below.

and off site at People's Firehouse Inc., under the supervision of "Teddy Armstrong." However, the owner of People's Firehouse Inc. never heard of Hardy or anyone named Teddy Armstrong. In addition, no one at Van Arsdale remembered seeing Hardy work at the school after 1990:

- John Woodman, who was the principal of Van Arsdale from September 1987 to June 1996, only saw Hardy at the school to pick up his paycheck. He never hired Hardy as a regular or substitute teacher.
- Roland White, who was the assistant principal of building and trades at Van Arsdale from September 1989 to August 1991, did not have any interaction with Hardy after June 1990.
- Edmund Mattei, who was the assistant principal of organization at Van Arsdale from September 1987 to June 1996, was "99.9% sure" that Hardy did not work at the school after 1990. Mattei said that if Hardy was in the SVA program, he would have known about Hardy's work assignments, which he did not. Also, Mattei knew that Hardy never worked as a teacher at the school in any capacity, because his name was not included on the "Teacher Master Reports" which list every teacher in the school, including substitutes.

Further indication that Hardy was not at Van Arsdale exists on the school's daily sign-in sheet, which is a preprinted list of all employees with a sign-in line next to

his or her name. In September 1990, Hardy's preprinted name appears on the daily sheet under the "SVA" category. He signed in only once, though, on September 4, 1990, and someone removed his name from the list a month and a half later on October 15, 1990.<sup>12</sup>

#### School Employees Blindly Distributed Hardy's Paychecks

Hardy's method of obtaining payment deviated from normal SVA procedures, yet the school still processed his requests. Although the attendance procedures varied depending on whether an intern was working in a school or at a job site, he was never supposed to submit time sheets to the payroll secretary. At the school, an intern was expected to sign in or punch a time card on a daily basis. When he worked at his job site, however, an intern was expected to complete a monthly time sheet, called the "Industry Site Log Sheet" which he was supposed to submit to the SVA administrator. The administrator – not the intern – was supposed to turn over this information to the payroll secretary.

None of Hardy's submissions conformed to the procedures described above. From September 1990 to June 1992, he completed the "Industry Site Log Sheet," claiming to be at Co-op Tech and George Westinghouse. This was odd because Hardy was using a job site time sheet when he claimed to be working at a school, and he was submitting them to the payroll secretary and not to an SVA administrator. During the

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<sup>12</sup> From September 1995 to January 1996, for no apparent reason, Hardy's preprinted name reappeared on the sign-in sheet. However, Hardy never signed in during these four months.

1992-1993 school year, Hardy gave Payroll Secretary Barnet forms on which the preprinted name of Dwight Threepersons appeared. Again, these forms should not have been submitted to the school and were clearly outdated since Threepersons had left the SVA program several years before.

Despite Hardy's deviance from program procedures, Barnet never approached SVA administrators to find out why – for the first time in five and one-half years and contrary to their policies – Hardy began to give her timesheets. And, even though he appeared as a seventh, eighth, and even ninth year intern in a five and one-half year program, Barnet gave Hardy his paychecks without inquiry.

The payroll secretary claimed that she knew little about the SVA program and never formally met with anyone regarding its policies. However, according to Threepersons, he sent her informative documents. Indeed, we found a memorandum sent to Barnet from Threepersons dated April 22, 1988, explaining that SVA interns possess a certificate that should expire five and one-half years after the date it was issued. The memorandum read “if the SVA [intern] started in 1984 ... [the certificate] would expire February 1990.”

In addition, Woodman admitted that he knew Hardy stopped working at his school, but he never contacted SVA administrators to learn why the intern no longer showed up. Instead, week after week, year after year, he allowed Barnet to distribute Hardy's paychecks. Certainly, Hardy's extended stay on the payroll should have been a red-flag to the principal, since during the 1980's, he served on the SVA program's Policy Advisory Committee.

### Fall 1993 to Spring 1996

During the next three years, Van Arsdale replaced its payroll secretary and new administrators took over the SVA program, but neither change stopped Hardy from getting paid every other week.

In the fall of 1993, Barnet left Van Arsdale<sup>13</sup> and was succeeded by Eleanor Zorfas. Later in the school year, Edward Houser took over the SVA program and hired Robert Reilly and James Crowe to assist him as consultants.<sup>14</sup> By this time, Hardy had stopped submitting time sheets entirely and simply told Zorfas that he was working off site. The only way that Hardy accounted for his attendance was by calling her on the various days he claimed to be absent.

Van Arsdale personnel still did not realize that Hardy was getting paid as an SVA participant, even though the new administration began to communicate more frequently with them. Houser made clear to participating schools how the SVA program operated. Indeed, we found in Zorfas's files a memorandum from Houser, dated September 1, 1994, explaining, among other things, that "SVA [interns] participate in the program for 5 years." In addition, at the beginning of each semester, an SVA administrator sent a letter to Principal Woodman and Zorfas, letting them

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<sup>13</sup> Barnet was transferred to Canarsie High School in Brooklyn, where she is currently the payroll secretary.

<sup>14</sup> SVA consultants are non-BOE employees who aid in the everyday operations of the program. In August 1995, Houser retired from the BOE and became an SVA consultant himself. Currently, Margaret Bresnan runs the SVA program out of DHS, and Houser, Reilly, and Crowe act as consultants.



know which interns should be paid at their school. The letter also explained that certain interns would be assigned to Van Arsdale that semester, while others would be working at a job site but using the school for payroll purposes.

Even though the letters, sent twice a year since August 1993,<sup>15</sup> never mentioned Hardy's name, Zorfias and Woodman did nothing about the fact that he was listed on their payroll as an SVA intern. They never contacted the program administrator to inquire about the discrepancy. In fact, beginning in September 1994, Houser had specific correspondence with Zorfias informing her about which interns would be off site for the semester. In these letters, the program administrator also provided the names of the supervisors of each off site intern as well as their phone numbers, and instructed Zorfias to call the supervisors twice a month to check on the interns' attendance. Again, despite the fact that Hardy's name was not on any of the lists, the payroll secretary took no action. And even though Zorfias called the supervisor of other off site interns, she never asked Hardy for the name of his supervisor or attempted to check on his absences. Instead, Zorfias said that she knew when Hardy was absent because "he would call in and tell me when he was going to be out." According to Zorfias, she never inquired about why Hardy was not listed on these letters because she considered him a "special case," working in either the central BOE or off site.

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<sup>15</sup> Before she resigned, SVA Administrator Nagle authored two of these letters, in August 1993 and January 1994.

Zorfas and Woodman also overlooked blatant forgeries in documents that Hardy submitted. Two submissions in particular were so absurd that educators either did not read them or simply did not care. First, despite the fact that Hardy was not working for the BOE, he sought to add an additional dependant on his health plan. In 1994, Hardy submitted the “Employee Health Benefits Application” form, attempting to add a dependant named “Morty Rosenfeld” – even though this man was only five years Hardy’s junior.<sup>16</sup> No one at the school noticed anything odd about this request.<sup>17</sup> They merely forwarded the information to the BOE’s Bureau of Health and Welfare.<sup>18</sup>

In addition, on October 3, 1995, Hardy submitted a BOE form requesting sick leave for his absence the day before. The section in which a licensed physician was to certify that he or she examined the patient was purportedly completed by “Professor A. Mateen,” diagnosing Hardy with “stripped throat.” Although the so-called physician was a man whose title was “professor” and who misspelled a common medical condition, Woodman signed and approved the absence on November 9, 1995.

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<sup>16</sup> The year before, Hardy added his newly born child, Abdul-Alim Q. X.

<sup>17</sup> Zorfas could not have reasonably believed that Rosenfeld was Hardy’s spouse: Rosenfeld was listed under the section for “dependants,” and the section for a “spouse” was completed for Sonia Hardy.

<sup>18</sup> A computer search conducted by Harriet Cohen, the Director of the Bureau of Health and Welfare, revealed that Rosenfeld was not on Hardy’s health plan.

### Fall 1996 to Spring 1997

In June of 1996, Principal Woodman and Assistant Principal Mattei left Van Arsdale, but the presence of a new administration did not stop Hardy from continuing his scheme. The new principal, Bruce Billig, and assistant principal, Jeffrey Tilden, both confirmed that Hardy did not work at Van Arsdale that year, yet the school gave him paychecks every other week.

Like his predecessors, Billig ignored documentation that should have alerted him to Hardy's fraud. The principal received letters from SVA administrators in the fall of 1996 and the spring of 1997 purporting to list all SVA interns assigned to Van Arsdale – and Hardy was not included. Despite the obvious omission, Billig never asked Houser why Hardy's name was missing and never questioned why Hardy was getting paid when he was not listed as an intern. The principal claimed that he did not catch the mistake because he does not necessarily read all the letters addressed to him and, in this case, may have forwarded them to Zorfaf.<sup>19</sup>

Though Hardy's name was not included on the letters from SVA administrators during the 1996-1997 school year, it was included on a document sent by DHR in June 1997. In fact, the manner in which Hardy's name appeared should have raised eyebrows. Every year, DHR sends Van Arsdale a "seniority list" which is a computerized print-out of all employees on the school's payroll as well as the number of years they have been there. The June 1997 list contained a group of SVA interns,

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<sup>19</sup> As previously explained, Zorfaf acknowledged receiving these letters but said that she thought Hardy was simply working off site.

one of whom was Hardy. Although the print-out revealed that Hardy had been an intern for twelve years, Billig did not contact SVA administrators to ask why someone was on his payroll for more than double the duration of the program. He claimed that many people appear on the school's seniority list and work off site, and that he only continued to do what others had done before him.<sup>20</sup>

### **SCHOOL OFFICIALS GAVE HARDY FAVORABLE EVALUATIONS**

Van Arsdale educators did more than give Hardy his bimonthly paychecks: from 1990 to 1997, they rated him favorably on employee evaluation forms. Despite the fact that Hardy was not working for the BOE, school officials gave him satisfactory ratings year after year.

In June 1991, June 1993, and June 1994, Woodman evaluated Hardy on an individual "Annual Professional Performance Review" form.<sup>21</sup> There, Woodman scored Hardy on twenty-three categories including personal qualities, pupil guidance, classroom management, and participation in community activities. Woodman signed the bottom of the documents, giving Hardy satisfactory evaluations, the highest rating an employee can receive.

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<sup>20</sup> The failure of DHR to communicate with SVA administrators enabled Hardy to remain on the seniority list, while at the same time, he was not on the program's personnel list.

<sup>21</sup> Hardy's personnel file did not contain an evaluation form for the 1991-1992 school year.

In June 1995 and June 1996, Woodman evaluated Hardy on a different form, called the “Report of Rating and Service of Instructional Personnel,” which listed all employees in the school, along with the number of days that they were absent, and their general rating. Hardy scored satisfactorily both years.

According to Woodman, the reviews were based entirely upon on an employee’s attendance record. Although only one of the twenty-three categories involved attendance, Woodman claimed that if an employee was showing up at school, then he received satisfactory ratings on his performance review. Because Barnet recorded Hardy’s absences from his false time sheets onto a school attendance card, it appeared to Woodman that the former intern had good attendance even though, in fact, he was not working at the school.

Unlike Woodman, Billig did not perform a detailed review of Hardy on the individual “Annual Professional Performance Review” form because, according to him, he does not evaluate off site employees. However, in June 1997, Hardy was rated satisfactorily on the “Report of Rating and Service of Instructional Personnel” which was completed by the payroll secretary and was not examined by Billig.

Indeed, Zorfias, the payroll secretary, admitted that she generated that report and gave Hardy a satisfactory evaluation in June 1997, initially claiming that she only duplicated the favorable score that he received on his yearly individual evaluation. However, Zorfias later asserted that Billig did not rate Hardy for the 1996-1997 school year and that she did not know why she gave him a satisfactory rating.

If Woodman, and later Billig and Zorfas, had taken the evaluation process seriously, they would have been forced to ask questions about Hardy's performance. When they made those inquiries, inevitably educators would have learned that Hardy was no longer working for the BOE, much less performing at a satisfactory level, and Hardy's scheme would have ended much sooner than it did.



NEW YORK CITY BOARD OF EDUCATION  
 DIVISION OF PERSONNEL  
 OFFICE OF APPEALS AND REVIEWS  
 85 Court Street, Brooklyn, New York 11201  
 BE/DOP 9955B (5/87) pers d1 (Replaces OP 11B)

**ANNUAL PROFESSIONAL PERFORMANCE  
 REVIEW AND REPORT ON PROBATIONARY  
 SERVICE OF PEDAGOGICAL EMPLOYEE**  
 (OTHER THAN SUPERVISOR, GUIDANCE COUNSELOR, SCHOOL SOCIAL  
 WORKER, PSYCHOLOGIST, EDUCATIONAL EVALUATOR, SCHOOL SECRETARY)

EMPLOYEE'S FULL NAME		LICENSE		FILE NUMBER								
EMPLOYEE'S	J. HARDY	618008	5BA	APT NO	SOCIAL SECURITY NUMBER							
CITY	40 E 17 STREET BROOKLYN 11226	76	K 650	1111	ZIP CODE							
SALARY \$25,308		SS#084645754		TENURED	PROBATIONER							
CURRENT SCHOOL		Date of Appointment		Jarema Credit	NYS Tenure Credit (Max 1 year)							
VAN ARSDALE H.S. 257 NORTH 6TH STREET BROOKLYN, N.Y. 11211		Borough		District								
				76								
LATENESS*	FIRST YEAR			SECOND YEAR			THIRD YEAR			DAYS IN C.A.R.	OR BORROWED DAYS	SUBSTITUTE SERVICE NO. OF DAYS
	TIMES NO.	TIME LOST		TIMES NO.	TIME LOST		TIMES NO.	TIME LOST				
ABSENCE* Exclude Non-Attendance	5	3	30							31		181

\* NOTE: For reports on probationers complete 1 to 3 years as applicable. For all other personnel use "First Year" to denote current year.

**SECTION 1 - REPORT BY PRINCIPAL OR OTHER APPROPRIATE SUPERVISOR:**

COMMENTS (as checked. "NA" indicates "Not Applicable.")	SATIS-FACTORY	UNSATIS-FACTORY	ADDITIONAL COMMENTS
<b>A. PERSONAL AND PROFESSIONAL QUALITIES</b>			
1. Attendance and punctuality	✓		
2. Personal appearance	✓		
3. Voice, speech and use of English	✓		
4. Professional attitude and professional growth	✓		
5. Resourcefulness and initiative	✓		
<b>B. PUPIL GUIDANCE AND INSTRUCTION</b>			
1. Effect on character and personality growth of pupils	✓		
2. Control of class	✓		
3. Maintenance of wholesome classroom atmosphere	✓		
4. Planning and preparation of work	✓		
5. Skill in adapting instruction to individual needs and capacities	✓		
6. Effective use of appropriate methods and techniques	✓		
7. Skill in making class lessons interesting to pupils	✓		
8. Extent of pupil participation in the class and school program	✓		
9. Evidence of pupil growth in knowledge, skills, appreciations and attitude	✓		
10. Attention to pupil health, safety and general welfare	✓		
<b>C. CLASSROOM OR SHOP MANAGEMENT</b>			
1. Attention to physical conditions	✓		
2. Housekeeping and appearance of room	✓		
3. Care of equipment by teacher and children	✓		
4. Attention to records and reports	✓		
5. Attention to routine matters	✓		
<b>D. PARTICIPATION IN SCHOOL AND COMMUNITY ACTIVITIES</b>			
1. Maintenance of good relations with other teachers and with supervisors	✓		
2. Effort to establish and maintain good relationships with parents	✓		
3. Willingness to accept special assignments in connection with the school program	✓		
<b>E. ADDITIONAL REMARKS (additional sheets, signed and acknowledged may be attached):</b>			

**SECTION 2 - PERFORMANCE EVALUATION**

OVERALL EVALUATION S, U, or D (D for first year probation only)	SIGNATURE OF PRINCIPAL (If other - give title)	ACKNOWLEDGMENT BY EMPLOYEE I have received this report on:
For the period: 5	<i>John ...</i>	
From 9/92 to 6/93	DATE	DATE SIGNATURE OF EMPLOYEE

(Complete Reverse Side for Probationary Personnel Only)

## HOW HARDY WAS CAUGHT

In September 1997, for reasons that will be discussed below, Van Arsdale was given enough money in the State grant which funds SVA to pay for only three interns – even though it had four on its payroll. Obviously, this meant that the State was no longer funding one of the SVA interns. In December 1997, after DHS sent a report to Van Arsdale that highlighted the discrepancy, Assistant Principal Tilden provided SVA program administrators with the names of the four interns on his payroll, including Hardy. When Houser indicated that he had never heard of Hardy, a review was conducted which revealed that the intern should have been taken off the payroll in 1990.

On January 5, 1998, Billig met with Hardy to find out where he had been working. At the beginning of their conversation, Hardy claimed that he was reporting to Threepersons at 65 Court Street, a factual impossibility since Threepersons had left the BOE almost three years earlier.<sup>22</sup> After Billig challenged this claim, Hardy said that he had worked at George Westinghouse and most recently at Ralph McKee High School, with “Mr. McMooney.”<sup>23</sup> As the principal continued to express his doubts, Hardy finally admitted that he was not working at any school or BOE facility. At that point, Billig formally terminated Hardy’s employment.<sup>24</sup>

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<sup>22</sup> Threepersons resigned from the BOE in June 1995 and has been working at White Plains High School since that time.

<sup>23</sup> Judy Ligus, the payroll secretary at Ralph McKee High School, stated that no one with the last name McMooney has worked at the school in the past three and one-half years.

<sup>24</sup> That same day, Roberto Fuentes, the Special Assistant to the Executive Director of DHR, who acts as a liaison between the SVA program and the staffing unit, notified this office about Hardy’s extended stay on the BOE payroll.



The fact that Hardy was paid \$193,259.21 for doing nothing was apparently not enough for him; after being fired, the former intern applied for compensation through the BOE's unemployment insurance division. An investigator from this office met with Hardy on February 3, 1998, posing as the BOE unemployment insurance processor. Hardy professed to have been working at Van Arsdale in the SVA program from 1984 through 1997. He verified that he was an intern until 1990, but after that date, he claimed that he passed a substitute teacher's exam which was "linked in the SVA license" and valid for another five years.<sup>25</sup> Hardy said that this license expired in 1995, but until 1997 "they kept paying me. I think I was still under, you know, the license." Hardy explained that his employment was terminated by Billig, who had never met him since he "wasn't really showing up anymore ... because [he] was involved in [his] youth program."

Hardy again resorted to falsehoods in order to explain where he worked during the time he allegedly held a valid "SVA/Substitute teacher's" license. He asserted that he was working at Van Arsdale and at People's Firehouse Inc., a job site location, under the supervision of Teddy Armstrong until 1993. However, Adam Veneski, founder of People's Firehouse Inc., said that no one named Hardy or Teddy Armstrong had ever worked at the company. Hardy claimed that since 1993 he had been working exclusively at Van Arsdale, teaching math, social studies, and carpentry as a substitute

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<sup>25</sup> Investigators learned that Hardy never took another BOE examination after he failed the SVA test in August 1990.

teacher. Our investigator asked Hardy to contact him with documentation regarding his work at Van Arsdale, including time sheets and evaluations, but he never did. Nor could he, because the former SVA intern never taught math, social studies, or any other subject as a substitute or in any other capacity at that school.

### **WHY THE BOE GENERATED PAYCHECKS FOR HARDY FROM 1990 TO 1997**

The remainder of this report describes the breakdown in the SVA program, the staffing unit in DHR, and the budget office in DHS, where incompetence and lack of common sense allowed Hardy to remain on the payroll for seven years after he completed his SVA apprenticeship.

Hardy first slipped through the cracks in 1990, when SVA program administrators mistakenly assumed he was off the payroll even though they never notified the staffing unit of DHR to remove him. Furthermore, the budget office in DHS never conferred with SVA administrators to learn who was in the program. As a result, it repeatedly allocated grant money to Hardy, enabling the intern to get paid at Van Arsdale year after year.

To better understand why Hardy received paychecks from September 1990 through January 1998, the remainder of this section will address the process by which an SVA intern is paid.

### How an SVA Intern Gets Paid

Although an intern receives his paycheck at his school site, his salary does not come from the school's budget. Instead, an intern's income is funded by a State grant, which is administered by two units of the BOE – DHR and DHS. Both DHR and DHS share the responsibility of overseeing the program and of ensuring that the intern receives his salary.

A staffing unit in DHR is responsible for placing an intern on the SVA payroll, as well as taking him off when he completes the program.<sup>26</sup> DHR will not remove an individual from payroll without notification from the SVA program administrator. If an intern successfully completes the program, the BOE's computer system automatically updates his license. He is then eligible for employment as a teacher, and the school at which he is going to teach puts him on its payroll. However, should an intern drop out or fail the required examination, it is up to SVA program administrators to notify DHR to terminate him from the payroll.<sup>27</sup>

A budget office in DHS, on the other hand, is responsible for allocating the proper amount of grant money to an intern's school site so that he may receive his paycheck there. The intern should receive paychecks only if DHR places him on payroll and DHS allocates money to his school site.

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<sup>26</sup> Before he died this year, Kenneth Mordaunt worked in the staffing unit, facilitating the placement of SVA interns on and off payroll. Currently, his position is vacant. Roberto Fuentes, the Special Assistant to the Executive Director of DHR, now notifies William Nelson, the Administrator of Staffing Services.

<sup>27</sup> Investigators learned this from Roberto Fuentes and Edward Houser, a current SVA administrator.

## **SVA ADMINISTRATORS FAILED TO REMOVE HARDY FROM PAYROLL**

### Dwight Threepersons's Mistake

Although Hardy completed the intern program in August 1990, he failed his final exam and should have been removed from payroll by SVA Administrator Dwight Threepersons.<sup>28</sup> However, Threepersons never notified the staffing unit in DHR to terminate Hardy's employment because he did not know that it was his obligation to do so.<sup>29</sup> Indeed, it became clear from our interviews just how confused Threepersons and his predecessor, Nicholas Aiello, were about their obligations regarding the program as well as its basic policies and procedures.

During the first of two meetings with our investigators, Threepersons acknowledged that he should have instructed someone in DHR to take the interns off payroll as soon as they completed the program. However, in a second interview, Threepersons said that the Board of Examiners issued a "special certificate" to the interns, which was valid for only five and one-half years. Thus, Threepersons claimed that it was not his responsibility to notify DHR when someone completed the program because termination was supposed to happen automatically when the certificate expired.<sup>30</sup>

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<sup>28</sup> All of Hardy's classmates passed the practical examination. Therefore, they were removed from the SVA payroll regardless of whether Threepersons notified DHR, because the schools at which they were going to teach initiated the payroll change.

<sup>29</sup> In October 1989, Nicholas Aiello moved to another part of the BOE, leaving Threepersons as the only person overseeing the program.

<sup>30</sup> Threepersons should have known that Hardy's SVA certificate did not expire five and one-half years after he began the program. If it did, Hardy would have been taken off payroll in February 1990, but Threepersons supervised the intern until August 1990, when he took his final examination. Despite this discrepancy, Threepersons still maintained that the certificate was supposed to expire after five and one-half years.

Aiello did not know which of these stories was correct. He first noted that SVA interns, like teachers, continued to receive checks until someone notified DHR to take them off payroll. Aiello also acknowledged that the SVA certificate was supposed to expire after five and one-half years, but was unsure if that meant the intern would be automatically terminated from payroll. He could not say whether someone at the SVA program was required to contact DHR or whether the expiration of the certificate on its own would stop an intern from getting paid. Aiello explained that the SVA certificate was “unique,” and something that he created with Max Parnes, who worked at the Board of Examiners.<sup>31</sup>

However, Parnes, the only other individual who might know if it was reasonable for Threepersons to assert that the SVA certificate had a five and one-half year expiration date that obviated the need to contact the DHR staffing unit, is deceased. Yet, even if Threepersons truly believed interns would be terminated automatically at the end of the program, he was wrong – Hardy’s SVA certificate expired, but it did nothing to trigger his removal from payroll.

#### Gloria Nagle Assumed Hardy Was Off Payroll

On October 1, 1990, Threepersons resigned,<sup>32</sup> and the BOE hired Gloria Nagle as the new program coordinator. She erroneously believed that the BOE no longer paid Hardy as an SVA intern.

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<sup>31</sup> The SVA program no longer issues a certificate with an expiration date.

<sup>32</sup> When he resigned from the SVA program, Threepersons went to Alfred E. Smith High School as the Assistant Principal. He left the BOE in 1995.

Nagle admitted to investigators that she was in “a lot of haze” regarding the identity of the SVA interns. Indeed, she told investigators that “a month or two” after she took over the program, she still “didn’t even know who [the interns] were or whether they were supposed to be in the program or not.” Nagle claimed that her problems were a result of Threepersons’s hasty departure, and the fact that she could not find many important records, including a list of program participants.

In order to learn who was enrolled in the program, Nagle said that she spoke to various people, including Threepersons, Aiello, and possibly someone from DHR. According to Nagle, she requested that the payroll secretaries at twenty-one vocational schools hold the SVA paychecks until each intern called her to verify his enrollment.<sup>33</sup> Nagle did not think she received a phone call from Hardy. By her version of events, then, Hardy’s paychecks should have been withheld. However, the payroll secretary continued to release his paychecks, and we have no way of independently confirming Nagle’s claim.

In fact, although Nagle said that she had no knowledge of Hardy’s continued participation as an intern, investigators discovered that she created a list in 1993 – at least *two and one-half years* after she took over the program – on which his name appears. This suggests that some information about Hardy was brought to her attention, but Nagle could provide no explanation.

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<sup>33</sup> Barnet did not recall whether or not she received that direction from Nagle.

Unfortunately, Nagle was never able to organize the SVA program. For example, one of her successors, Robert Reilly, said that she could not even determine how many SVA interns were enrolled in the program by the time she resigned from the BOE during the 1993-1994 school year.

### **DHS REALLOCATED FUNDS FOR HARDY**

Year after year, Hardy received funding out of the State grant because DHS continually allocated money for him at Van Arsdale.

DHS administers the State funds that pay the SVA participants' salaries. Each year, they allocate a certain amount of money to a particular school, depending on the number of interns who will be working there. Everyone with whom we spoke acknowledged that DHS performed this task, but no one could explain the process by which it was done.

Although common sense dictates that DHS employees should have determined the allocations each year by using a list from SVA administrators, which disclosed the interns' names and their school sites, there is no evidence that they did so. If they had, Hardy's name would not have been on the list, and he would no longer have been given funding out of the State grant. Instead, investigators discovered that, until September 1997, individuals at DHS merely reviewed DHR's payroll database to determine the

names of the SVA interns, and then proceeded to allocate grant money for them at their school sites. Because the system showed that Hardy was working at Van Arsdale, DHS continued to provide funds for him there.

It was not until SVA Administrator Houser gave DHS a list of active participants in September 1997 that grant money was no longer allocated for Hardy. Even then, without SVA grant funding, Van Arsdale paid Hardy until January 1998.



## **CONCLUSION AND RECOMMENDATIONS**

The SVA program does not operate out of a centralized location: the interns work at their own job or school sites, the latter being where their attendance is taken and where they are paid. While such a system allows interns to receive a unique educational opportunity which includes individual vocational as well as pedagogical training, it makes accounting for the participants difficult. SVA administrators did not keep organized records on the interns and failed to communicate with other parts of the BOE that are involved in running the program. Their lack of oversight and communication allowed Hardy to perpetuate his fraud.

In addition, it is absurd that Hardy was rated favorably when he did not work at the school. The actions of Van Arsdale educators made a mockery of the evaluation process.

The following recommendations must be implemented in order to prevent another dishonest SVA intern from remaining on the payroll unbeknownst to program administrators:

### Policy Recommendations

The BOE must ensure that SVA administrators have a clear and detailed understanding of the program's hiring and firing procedures. Administrators must be

instructed that it is their responsibility to remove the interns from payroll at the completion of the five and one-half year apprenticeship program.<sup>34</sup>

Moreover, the SVA program must be organized so that someone is responsible for all aspects of an intern's participation, from supervising his assignments to recording his attendance to evaluating his performance. The BOE must review the policies of the SVA program and determine whether they sufficiently accomplish these goals.

Finally, it is our recommendation that the BOE closely scrutinize how Van Arsdale and other schools complete the "Annual Professional Performance Review" forms and insist that educators conduct a meaningful review of their employees' performances. In order to preserve the integrity of the evaluation process, we recommend that the BOE instruct principals at all high schools that they must complete these forms for on site individuals only and score each person in a way that accurately reflects his or her performance. Failure to do so must result in disciplinary action against the person completing the evaluation. Otherwise, there will be little incentive to accurately judge and rate a subordinate.

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<sup>34</sup> According to Roberto Fuentes, the Special Assistant to the Executive Director of DHR, as a result of this investigation, he and SVA Administrator Houser implemented three requirements to ensure that the SVA payroll is administered accurately. Fuentes said that the payroll unit in DHR must provide SVA administrators with a printout of all interns on the payroll, the budget office in DHS must allocate grant money according to a list from SVA administrators, and the SVA program must send written notification to the schools each semester, which identifies the interns on payroll. Assuming that these procedures are followed, they will help to prevent another intern from remaining on the payroll after he completes his tenure with the BOE.

### Disciplinary Recommendations

For seven years, **James Hardy** showed up at Van Arsdale every other week only to collect paychecks that he knowingly did not earn. From September 1990 to January 1998, Hardy did not do any work for the BOE, but falsified documents and lied about his whereabouts in order to convince educators otherwise. In the process, Hardy stole a total of \$193,259.21 in unearned wages.

Evidence of Hardy's theft and other fraudulent activities has been referred to the Kings County District Attorney's Office, Rackets Division, for possible criminal prosecution. In addition, it is our recommendation that Hardy be prohibited from working for the BOE should he ever reapply for any type of employment.

**Bruce Billig**, the Principal of Van Arsdale from 1996 to the present, allowed Hardy to get paid as an SVA intern during the 1996-1997 school year despite ample evidence that he was not part of the program. Billig admitted that he did not read the letters from the SVA administrators and ignored information on the Van Arsdale seniority list, which indicated that Hardy had been an intern for more than twelve years. Appropriate disciplinary action should be taken against Billig for his inaction which enabled Hardy to continue his scheme yet another year.

**Carla Barnet**, the payroll secretary at Van Arsdale until 1993, accepted false time sheets from Hardy, failing to discover that he was no longer in the SVA program. While she did not necessarily have reason to suspect that Hardy's time sheets were forged, Barnet should have known it was against SVA policies for him to submit them to her since her duties included regulating the interns' attendance. At the very least,

she should have contacted program administrators to learn why he was deviating from the standard practice. It is thus our recommendation that disciplinary action be taken against Barnet, who is now the payroll secretary at Canarsie High School.

**Eleanor Zorfafas**, the Van Arsdale payroll secretary, gave Hardy his paychecks from 1993 to 1997, while ignoring numerous letters from SVA administrators which did not list him as a participant. In addition, she accepted Hardy's sporadic telephone calls as proof that he was working for the BOE and failed to verify his attendance with his supervisor as she was required to do. Finally, without reason, the payroll secretary gave Hardy a satisfactory evaluation for the 1996-1997 school year. Because of **Zorfafas's** callous indifference toward her duties, the BOE should terminate her employment.

Three other individuals were partly responsible for allowing Hardy to commit his crime. If they were still employed by the BOE, we would recommend that some level of disciplinary action be taken against them:

**Dwight Threepersons**, the coordinator of the SVA program from 1984 through 1990, failed to notify the staffing unit of DHR to take Hardy off the payroll in 1990. Threepersons' oversight enabled the intern to embark upon a scheme that ultimately allowed him to steal \$193,259.21 in unearned wages.

**Gloria Nagle** headed the SVA program from 1990 to 1994, but did not effectively perform her duties as an administrator. Although she spent four years running the program, she was never able to learn the identity of the participants. Moreover, she did not realize that Hardy was getting paid as an intern during this time.

Instead, Nagle assumed that Hardy was off the SVA payroll even though she had no basis to make this conclusion.

**John Woodman**, the principal of Van Arsdale from 1987 to 1996, allowed Hardy to remain on the payroll and collect paychecks every two weeks despite the former intern's tenuous connection to the school. The principal never sought to determine why an intern who no one had seen for years was still getting paid. Furthermore, by rating Hardy favorably on six yearly evaluations in categories such as pupil guidance and classroom management – even though the intern was not working at his school and he had no basis for rating his performance – Woodman showed complete disregard for the evaluation process and missed an opportunity to end Hardy's scheme.

Because **Threepersons**, **Nagle**, and **Woodman** no longer work for the New York City public school system, it is our recommendation that they should not be hired by the BOE in any capacity in the future, including consultant positions.