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

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Report Released Today

Today, Special Commissioner of Investigation Richard J. Condon released a report detailing an investigation which found that Kostas Andrikopoulos, the owner of Hara Electric Corporation ("Hara"), billed the Department of Education ("DOE") more than one million dollars by submitting documents containing fraudulent invoices for materials along with falsified payrolls from Hara and its subcontractor, Vector Electric, Inc. ("Vector"). Andrikopoulos, who is known as "Gus," also controls Vector. Andrikopoulos falsely reported the source of his supplies and inflated the cost of the materials. He also submitted certified payrolls listing individuals whom he maintained completed electrical jobs for the DOE when, in fact, these individuals were not electricians and never worked in the schools. With respect to the electricians who did work in the schools, Andrikopoulos falsely reported hundreds of hours of work that the electricians did not perform or sometimes "double-billed" for their services.

Andrikopoulos and Hara currently face a criminal prosecution in which they are charged with theft of more than one million dollars, relating to projects involving the School Construction Authority. That matter is being handled by the New York State Attorney General's office.

Commissioner Condon recommended that the DOE refrain from contracting or subcontracting with Hara, Vector, or any company affiliated with Kostas Andrikopoulos and that Andrikopoulos be barred from working for the DOE, for one of its vendors, or in one of its facilities.

Commissioner Condon also referred his findings to Queens County District Attorney Richard A. Brown for whatever action he deems appropriate, the U.S. Department of Education, the New York City Comptroller's Office, the New York State Attorney General's Office, and the New York City Department of Buildings Licensing Unit. The finding that a witness lied under oath at SCI was forwarded to New York County District Attorney Cyrus R. Vance, Jr. for whatever action he deems appropriate.

The Office of the Special Commissioner of Investigation is part of the New York City Department of Investigation and Special Commissioner Condon reports to Commissioner Rose Gill Hearn.