CITY OF NEW YORK

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

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Report Released Today

Today Commissioner of Investigation Rose Gill Hearn and Special Commissioner of Investigation Richard J. Condon released a report relating to an investigation which found that Eastco Building Services, Inc., a company owned by Steven Brown colluded with All Building Services Inc., nominally owned by his wife, Debra Dix Brown, in bidding for four Department of Education ("DOE") building repair contracts, each worth up to \$4 million.

The Office of the Special Commissioner of Investigation was assisted in the investigation by the Department of Investigation's Inspector General of the New York City Department of Administrative Services ("DCAS"). The investigation determined that Eastco and All Building engaged in collusive bidding for three \$3.3 million contracts at that agency.

In their July 2003 bids to the DOE and their December 2003 bids to DCAS, Steven Brown and Debra Dix Brown each falsely declared that the bids submitted were arrived at independently and without consultation. The investigation showed, however, that at least one Eastco executive prepared both firms' bids, that the companies used the same office, telephones, and personnel interchangeably, entered into subcontracts with each other, and paid each other substantial sums of money. In addition, Eastco, in violation of its contractual obligations with the DOE, failed to cooperate in the investigation. Along with All Building, Eastco ignored subpoenas demanding documents seeking to demonstrate connections between the companies.

Copies of the report will be available after 11:00 a.m. at 80 Maiden Lane, 20th Floor. Questions should be referred to Sara Scicluna at (212) 510-1470. 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.