CITY OF NEW YORK
THE SPECIAL COMMISSIONER OF INVESTIGATION
FOR THE NEW YORK CITY SCHOOL DISTRICT
80 MAIDEN LANE, 20TH FLOOR
NEW YORK, NEW YORK 10038

RICHARD J. CONDON
SPECIAL COMMISSIONER

Telephone: (212) 510-1400
Fax: (212) 510-1550
WWW.NYCSCI.ORG

FOR IMMEDIATE RELEASE **CONTACT: Laurel Wright-Hinckson**
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Fraud by Vendor to Obtain and Keep DOE Contract and Enhance Profits

Report Released Today

Today, Special Commissioner of Investigation Richard J. Condon released a report detailing an investigation of Future Technology Associates, LLC ("FTA") and its owners, Tamer Sevintuna and Jonathan Krohe. An executive summary accompanies the report.

Sevintuna and Krohe submitted false filings for FTA to obtain a contract with the Department of Education ("DOE") in 2005. Sevintuna and Krohe subsequently submitted false documents to conceal their ownership of and subcontracting arrangements with a number of companies, including a company they established in Turkey. The purpose was to retain the DOE contract and to significantly enhance FTA's profits. The DOE granted FTA extensions of the 2005 contract until 2009, when it awarded the company a new contract. In the course of five and one-half years, the DOE paid FTA more than $74 million.

The investigation also found that Judith Hederman, a high-level official in the DOE Division of Financial Operations, who had significant oversight concerning the 2005 contract with FTA and was the Chancellor's Designee to oversee FTA's 2009 DOE contract, supplied confidential information to Krohe regarding the DOE's concerns about FTA. Under oath, Hederman lied about her relationship with Krohe.

As a result of this investigation, the DOE ended its contract with FTA and Hederman resigned from the DOE.

The Commissioner referred his findings to the United States Attorney for the Southern District of New York, Preet Bharara, and New York County District Attorney Cyrus R. Vance, Jr. for whatever action they deem 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.

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