

March 3, 2010

Hon. Joel I. Klein
Chancellor
New York City Public Schools
Department of Education
52 Chambers Street, Room 314
New York, NY 10007

**Re: Edwin Hendricks, Tasha Croskey,
David Guinyard & Walter Streat
SCI Case No. 2009-0101**

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that Edwin Hendricks, a Department of Education (“DOE”) custodian assigned to the Thurgood Marshall Academy for Learning and Social Change (“Marshall”) in Manhattan, stole more than \$29,000 from the school’s custodial account by utilizing a number of schemes, some in which former custodial employees Tasha Croskey, David Guinyard and Walter Streat were complicit: Hendricks wrote payroll checks to himself totaling \$1,772 covering periods for which he had already been paid; he wrote checks from the custodial account totaling \$5,008 to pay personal expenses, including private school tuition for his sons, personal life insurance premiums, and a Congressional campaign contribution; during 2008, he withdrew \$2,920 from the account from automatic teller machines (“ATMs”); he wrote payroll checks to his sister, Croskey, totaling \$12,108, purportedly for secretarial services performed at Marshall during hours when she was actually working at a bank office in New Jersey; Hendricks issued paychecks to Croskey, Guinyard, and another employee for hours they did not work, forged their endorsements on the checks, and pocketed \$4,105; finally, Hendricks wrote \$3,641 in checks to Guinyard and Streat for hours they did not work, cashed the checks, and shared the proceeds with the two employees, who were aware of his scheme.¹ Hendricks admitted to much of this conduct when questioned by investigators, and specifically acknowledged stealing \$14,538 in DOE funds.

¹ Hendricks was reassigned to the DOE Division of School Facilities office in Long Island City. Croskey was last on the custodial payroll in January 2009, Streat in November 2008, and Guinyard in December 2008. Croskey and Guinyard remain eligible for employment with the DOE; Streat is on the ineligible list for reasons unrelated to this investigation.

In January 2009, Frank Coppola, DOE Division of School Facilities (“DSF”) Director for District 5, contacted the office of the Special Commissioner of Investigation (“SCI”) and reported that he received an anonymous letter which alleged that Hendricks had individuals on the Marshall custodial payroll who were not actually working at the school. SCI investigators interviewed Coppola, who provided the letter, which said that Hendricks had several “no show” employees on the payroll. Coppola said that there were five full-time custodial employees at Marshall (in addition to Hendricks), and provided the cancelled checks, timecards, and purchase orders from the school’s custodial account. Coppola reported that in late 2007 or early 2008, he observed a female working at the custodial office during visits to the school. He questioned Hendricks about her, and the custodian said that she was not actually employed on the custodial staff, but was “just helping.” Coppola said that when he pressed Hendricks on the matter, he admitted that the woman, Croskey, was in fact employed on the custodial staff. Hendricks told Coppola that she was his “sister-in-law.” According to Coppola, Hendricks was aware that he was not permitted to hire relatives. A review of the DOE custodial payroll system database indicates that Croskey was first employed at Marshall in August 2006.

An SCI investigator analyzed the documents obtained from Coppola. The pertinent subjects were questioned concerning these records as described below.

Edwin Hendricks

SCI investigators interviewed Hendricks at Marshall in February 2009. He stated that he hired Croskey, whom he initially described as his “sister-in-law,” in August 2006. Hendricks acknowledged that he was not allowed to hire Croskey due to the DOE’s anti-nepotism rules. He said due to his wife’s medical condition, he was “not thinking clearly” at the time. Hendricks claimed that he did not recall a conversation with Coppola in late 2007 or early 2008 in which he described Croskey as a “volunteer.” He said that Croskey worked mainly part-time.

Investigators asked about two checks written on Hendricks’s custodial account, one dated March 11, 2008 for \$150 to the “Committee to Re-Elect [Rep.] Ed Towns,” and a second dated September 5, 2008 for \$1,400 to the “Solebury School,” a private school in Pennsylvania. He explained that his twin sons were enrolled at the Solebury School, and that he intended to repay the custodial account for this expenditure and the campaign contribution as soon as he was able to do so.

Hendricks was asked about a custodial account check dated November 12, 2008 for \$232.32 to the New York Life Insurance Company, and three electronic transfers from the account to the same payee totaling \$348.48 from December 2008 through February 2009. He said that he mistakenly wrote the check from his custodial account, believing that it was his personal account, which is also at JPMorgan Chase. The investigator pointed out to Hendricks that the checks from the two accounts bore no resemblance, and that this failed to explain the electronic transfers; Hendricks had no reply.

Investigators asked Hendricks about \$2,920 in ATM cash withdrawals from the custodial account from January through October 2008. He explained that he was having “financial difficulties,” and that he “pocketed about \$1,200” of the withdrawn cash. Hendricks said that he was approximately \$10,000 in debt.

Hendricks was asked about discrepancies concerning travel expenses in the custodial account.² In 2008, he documented \$672 in travel expenses on Purchase Orders (“PO 2s”) filed with the DOE, but he marked \$1,850 in checks payable to himself as “travel expenses.” Hendricks responded that because of financial hardship, he “pocketed all of the extra money.”

Hendricks also claimed that “financial hardship” was the reason he wrote \$1,700 in checks to himself in 2008. Hendricks did not document any reason for these payments.

Asked about a paycheck to himself for \$5,118.88, dated September 18, 2008, Hendricks initially stated that this encompassed his salary for three pay periods. When investigators showed him that his own records contradicted this explanation, he admitted that he gave himself the equivalent of an extra paycheck. The sum to which he was not entitled amounted to \$1,672.96.

Hendricks was questioned about three paychecks to custodial employees on which his endorsement appeared along with the purported endorsement of the payees: a December 24, 2008 check to Robert Finney, a part-time cleaner, for \$1332.84; a check bearing the same date for \$1,138.02 to Guinyard; and a check to Croskey for \$1,634.76 dated Christmas Day, 2008. He was shown the cashier’s stamps on the three checks which indicated that they were cashed at the same bank branch within 10 minutes of each other. Hendricks then stated that he forged the signatures on the checks, and that he “did a 60 – 40 split” with the named payees. Investigators advised him that there were no corresponding timecards for Finney and Guinyard, and that the entries on Croskey’s timecard appeared to have been manipulated. Hendricks then produced a folder from which he obtained timecards in the names of Finney and Guinyard for the pertinent period. The investigators examined them and advised Hendricks that the entries on the cards also appeared to have been manipulated, and the purported signatures of the employees did not resemble other examples of their signatures but were similar to Hendricks’s handwriting.³ Hendricks then admitted that he kept all the money from the three paychecks – \$4,105.62 – and that he “normally only stole money around the end of the year.”

² Coppola advised investigators that custodians are entitled to \$8.40 per day if they travel from their assigned school on DOE business.

³ Hendricks claimed that he did not personally manipulate the office time clock to falsify the timecards, but that a custodial employee, whom he named, did so at his direction. SCI investigators interviewed the named employee, who denied Hendricks’s accusation. He acknowledged that he had a key to the time clock, which he used on only one occasion; he adjusted the clock for daylight savings time at the request of a temporary care custodian.

Hendricks told investigators that he believed that he had stolen \$5,000 to \$6,000 from the DOE in 2008 by falsely reporting Croskey's income. He said that the only money he stole which was attributed to Finney's income was the December 24th paycheck in his name. According to Hendricks, the "60 – 40" arrangement pertained to two paychecks to Streat dated October 30 and November 13, 2008 for \$1,105.38 and \$1,093.78, respectively. Hendricks said that he kept 60 percent of the proceeds of these checks, and gave Streat the remainder.

Hendricks said that Streat and Croskey were complicit in his theft of money from paychecks in their names for which they performed no work. He acknowledged that his conduct constituted stealing, and that it was wrong. Hendricks stated that he was willing to reimburse the DOE for the money he had taken. He added, "At least I'm not as bad as Phil," referring to Philip Portelli, the former custodian of West Side High School, and the subject of an SCI investigation in which it was substantiated that he had looted the school's custodial account.⁴

SCI investigators removed the PO 2s, employee payroll records ("PO 1s"), and timecards for 2007, 2008 and a portion of 2009 from Hendricks's office at Marshall. Timecards for the pay period ending December 11, 2008 in the names of Croskey and Finney were taken from Hendricks's desk – separate from the other employees' timecards. Finney's card contained five timestamps for that period which did not correspond to the timecard in his name which Hendricks submitted to his DOE supervisor with the PO 1. Croskey's timecard in the desk contained no stamps. Finney's and Croskey's personnel folders were also removed from Hendricks's desk. They contained only their employment applications and copies of their IRS W-4 statements. This contrasted with the personnel folders of all of the other custodial employees, which contained a large number of documents, including certifications of employment credentials, and proof of inoculations.

Robert Finney

SCI investigators interviewed Finney and showed him a copy of the December 24, 2008 cancelled paycheck in his name for \$1,332.84. He said that the endorsement in his name was not his signature, and that he never received any money in connection with the check. At the investigators' request, Finney produced identification containing his signature, his Social Security card. The signature on the card did not resemble the endorsement in his name on the December 24th check.⁵ Finney denied that he had any arrangement with Hendricks concerning sharing cash from paychecks for work not performed.

David Guinyard

SCI investigators interviewed Guinyard, who stated that he last worked at Marshall sometime in the summer of 2008. He was shown the December 24, 2008

⁴ See letter to Joel I. Klein from Richard J. Condon dated March 17, 2009 (SCI Case No. 2008-3747).

⁵ The signature on the Social Security card resembled the endorsements on Finney's remaining paychecks.

paycheck in his name. Guinyard initially said that he had received the check, and that the endorsement signature was his. He was then informed that Hendricks had admitted to writing the check and forging Guinyard's endorsement. Guinyard then stated that he had agreed to a scheme in which Hendricks wrote a paycheck in Guinyard's name, gave him \$400 in cash, and kept the balance. He said that he did not recall the date of this transaction. Guinyard then contradicted his initial statement, and said that he never received the December 24th check, or any proceeds from it. He was then shown a cancelled paycheck in his name for August 7, 2008 in the amount of \$1,190.23. Guinyard stated that it was not his signature on the back of the check, and that Hendricks gave him \$400 in cash in advance of the date of the check, and that Hendricks kept the proceeds from the check.

Guinyard told investigators that he never punched a time clock, nor did he receive a paycheck from Hendricks during his employment at Marshall.

Tasha Croskey (initial interview)

Croskey was interviewed twice by SCI investigators. In her initial interview, she identified herself as Hendricks's sister-in-law. Croskey said that she was hired by Hendricks in August 2006 and performed secretarial duties at Marshall until early December 2008. She said that she did not recall her hourly wage. Croskey said that she always punched a timecard "in and out," and was paid by check.

Croskey was shown the December 25, 2008 \$1,634.76 paycheck in her name. She said that she never received the check, and that the endorsement was not her signature. She had the same response when shown a November 25, 2008 cancelled paycheck in her name in the amount of \$1,105.25.

Three more paychecks to Croskey were shown to her. They were dated November 13, 2008, October 30, 2008, and September 6, 2007, and represent a total of \$4,572.33. Each contained apparent endorsements by Croskey and Hendricks. Croskey stated that she was unsure whether the signatures were hers, or if she received the money from the checks.

Croskey was then shown timecards in her name. From July 2008 through the end of that year, the cards indicated that Croskey worked full-time at Marshall. For many successive days, Croskey's timecard was punched in and out precisely on the hour. When asked about this, Croskey merely stated that she came to work when needed, punched in, and punched out when done. Asked about the discrepancy between the timecards and the October and November checks of which she was uncertain, and the November and December checks which she did not receive, Croskey told the investigator that he should ask Hendricks. Croskey claimed that she was never paid in cash, or for time she had not worked, and that she never had any discussions with Hendricks about getting money without having worked. She declined to tell investigators the name of her

bank. Croskey said that she worked “part-time” in the credit card department at a Bank of America (“BofA”) office in New Jersey, and that she has been so employed since approximately November 2006.⁶

Edwin Hendricks (second interview)

SCI investigators interviewed Hendricks a second time; he was accompanied by an attorney. He said that he had been “scared” during the initial interview, and that he had not told the truth concerning Croskey. Hendricks admitted that Croskey is his sister, and not his sister-in-law, as he previously told the investigators. He said that he hired Croskey in August 2006 to do secretarial work at Marshall. Croskey was shown timecards in Croskey’s name which appeared to be altered duplicates of the timecards of another custodial employee at Marshall. Hendricks admitted that he had photocopied another worker’s timecards, substituted Croskey’s name, and submitted them with false PO 1s he created to document the corresponding paychecks to Croskey. The false duplications amounted to 462.5 hours.

The fabricated timecards in Croskey’s name for the period ending August 23, 2007 indicated 184 regular hours, and 24 premium hours. These were used to support a PO 1 submitted by Hendricks stating that Croskey was paid \$2,958.49 for this period. This sum was represented in two checks payable to Croskey; each was cashed or deposited at BofA. False timecards bearing Croskey’s name for the period ending July 26, 2007 were submitted with a corresponding PO 1 to show that she worked 168 regular hours and eight premium hours and was paid \$2,651.00. Only one cancelled check payable to Croskey for this period was located by SCI. It was dated July 11, 2007 for \$1,205.85 and was also cashed or deposited at BofA.

Hendricks was asked if his sister had other employment. He replied that he thought that Croskey worked for a bank in New Jersey where she made her own schedule and had flexible hours. Hendricks claimed that he did not know the name of the bank, or when she began her employment. He was then advised that his sister worked in the collections department at BofA, and he was shown a spreadsheet which an SCI investigator had prepared. It was a comparison of Croskey’s BofA time records with the timecards in her name taken from Marshall for calendar years 2007 and 2008. They indicated that there were 811 overlapping work hours.⁷ Hendricks admitted that he paid Croskey for numerous hours when she did not work. He said that he was unaware of the

⁶ Croskey apparently has a bank account with her employer, BofA. From December 2006 through August 2008, 18 custodial paychecks totaling \$13,244.05 from Hendricks to Croskey (and bearing her endorsement) were cashed or deposited at BofA branches.

⁷ Based on Croskey’s hourly rate of pay, \$14.93, this represents \$12,108.23 in apparently unearned compensation from the DOE.

number of hours that Croskey actually worked at Marshall, but that it was “not nearly as many” hours for which she was paid by the DOE. Hendricks said that he made this arrangement for his sister because she was a single mother, and that he was “trying to help her out.” He denied that he took kickbacks from Croskey as part of the scheme. An investigator then reminded Hendricks that in the initial interview, he said that he received approximately one-third of the money represented by Croskey’s paychecks. He then reiterated that he was “scared” during the first interview and had not told the “full truth” concerning Croskey. Hendricks maintained that the only money he received in connection with a paycheck payable to Croskey was the December 25th check which he previously identified. He said that he cashed the check without Croskey’s knowledge.

Croskey’s schedule at BofA

After SCI investigators interviewed Hendricks the second time, his attorney contacted one of the investigators and advised him that he also represented Croskey. The attorney stated that he had communicated with Croskey concerning the “overlapping hours” in which she apparently worked at Marshall and at BofA. He said that Croskey claimed that she was responsible for setting her work schedule at BofA based on a 40-hour work week, but that she was not obligated to work according to the schedule. The attorney said that if Croskey met her collection goals in the first few hours of her shift, she was authorized to leave, and would be compensated for a full day. According to her attorney, Croskey claimed that she never “double dipped,” and that when she left the BofA office, she would then go to work at Marshall.

The SCI investigator contacted Frank Kelleher of the BofA Security Department. He agreed to check with Croskey’s manager concerning her work schedule as recorded on the BofA documents. Kelleher subsequently reported that he conferred with Croskey’s supervisor, Robert Sweet, who verified that Croskey’s time records were accurate, and that collection workers such as Croskey were required to work at BofA’s office on University Avenue in Newark.⁸ The investigator then contacted Sweet, who confirmed that he was Croskey’s supervisor since 2006. He stated that once or twice a month (but not every month), the company announced an “early out” incentive: those who met their collection goals were allowed to leave work early. However, the amount of such time off a worker could accumulate ranged from two to eight hours per month. Sweet said that if a worker was proficient, he or she could earn a maximum of 80 such hours in the course of a year. He reported that it would have been impossible for Croskey to accumulate 800 hours of early dismissal hours over two years. Sweet reported that this would amount to one-fifth of Croskey’s work schedule.

⁸ Using the “Mapquest” Internet website, an SCI investigator observed that it is 23 miles from the BofA office to Marshall; the program estimated the driving time to be approximately 35 minutes.

Tasha Croskey (second interview)

Accompanied by an attorney, Croskey appeared at the SCI office in response to a subpoena and was interviewed under oath.⁹ She testified that she did not know the exact date she began her job at Marshall. She asserted the Fifth Amendment privilege against self-incrimination when asked who hired her at the school. Croskey stated that she also worked at BofA as a collection agent during the period she was employed at Marshall. She declined to name her supervisor at BofA, but allowed that she was hired by Robert Sweet. Croskey testified that she worked a “flexible schedule” at BofA of any time between 8:00 a.m. until 11:00 p.m. According to Croskey, BofA did not require her to work a minimum number of hours each day, as long as she accumulated 40 hours per week. In contrast to Sweet, she described the BofA “early out” incentive program as occurring as often as two days per week. Croskey said that she had nothing to document her early departures from the BofA office, but said that her “manager knew [she] was leaving.” She claimed that she would “often” go to work at Marshall after leaving early from her BofA job. Croskey said that she had no set hours at Marshall because she worked for her brother.

Croskey was shown a spreadsheet and advised that it recorded her overlapping work hours based on time records from Marshall and BofA. She was further advised that Sweet reported that it would be impossible to accumulate more than 80 hours of “early out” time in the course of a year. Asked to explain these discrepancies, Croskey asserted the Fifth Amendment.

Investigators showed Croskey the Marshall timecards in her name (which Hendricks admitted that he photocopied from another worker’s cards) and asked if her signature appeared on the cards. She initially answered affirmatively, but when questioned more specifically about the signatures, Croskey asserted the Fifth Amendment. She gave the same reply when asked if she had been paid for the dates and times recorded on the cards.

Walter Streat

SCI investigators interviewed Streat, who was formerly employed as a cleaner on the Marshall custodial staff. He said that he had been a part-time worker for Hendricks. Streat claimed that he could not recall when he began or ended his employment at Marshall. He was shown four cancelled paychecks in his name, and commented that he had not received all of them. One of the checks (dated November 13, 2008 for \$1,093.78) differed from the remaining three: it contained a second endorsement in Hendricks’s name, and Streat’s endorsement differed in appearance from his signature on the other checks. When this was pointed out to Streat, he stated that he had asked

⁹ The attorney was not the aforementioned lawyer who previously represented Croskey in addition to Hendricks.

Hendricks to cash the check for him, and that he (Streat) must have forgotten to endorse it. Streat maintained that he worked for all of the time represented by the paychecks, that he received all the proceeds of the checks, and that he “never kicked back any money to Hendricks.” Streat was told that Hendricks had admitted that he received kickbacks from Streat. Streat responded that he was telling the investigators the truth.

Conclusion and recommendations

Edwin Hendricks stole more than \$29,000 in DOE funds which had been entrusted to him. He did so by writing paychecks to himself beyond that to which he was entitled, paying personal expenses and making ATM withdrawals from the custodial account, writing paychecks to employees for work not performed and keeping the proceeds (or a portion of the proceeds). Hendricks forged checks, endorsements, and DOE records. He generally admitted these various schemes and acknowledged taking more than \$14,000 in DOE funds. We recommend that Hendricks’s employment be terminated, that he be made ineligible for work with the DOE, and that this matter be taken into consideration should he seek employment with the DOE or any of its affiliates in the future.

Tasha Croskey, Hendricks’s sister, whom he placed on the custodial payroll in violation of the DOE’s anti-nepotism regulations, was complicit in his scheme to take more than \$12,000 in DOE funds for work not performed. More than 811 work hours on her Marshall timecards coincide with hours in which she was documented to be at work in Newark. Croskey’s attempt to explain the discrepancy by a flexible work schedule is not credible, and is refuted by her Newark employer. We recommend that Croskey be made ineligible for work with the DOE, and that this matter be taken into consideration should she seek employment with the DOE or any of its affiliates in the future.

David Guinyard and Walter Streat, by Hendricks’ admission, engaged in kickback schemes in which they shared the proceeds of DOE paychecks issued by Hendricks for work they did not perform. Streat is on the DOE ineligible list, and we recommend that he continue to be ineligible for DOE employment or with any of its affiliates in the future. Guinyard, who admitted his participation in the kickback scheme, should also be made ineligible for work with the DOE, and this matter should be taken into consideration should he seek employment with the DOE or any of its affiliates in the future.

We are referring this matter to New York County District Attorney Cyrus R. Vance, Jr. for whatever action he deems appropriate.

We note that some of the conduct described herein may violate the provisions of Chapter 68 of the New York City Charter, which is administered by the New York City Conflicts of Interest Board.

We are sending a copy of our report and of our recommendations to the Office of Legal Services. Should you have any inquiries concerning this matter, please contact Deputy Commissioner Gerald P. Conroy, the attorney assigned to this case. Please advise Deputy Commissioner Conroy within 30 days of receipt of this letter what, if any, action has been taken or is contemplated with respect to Edwin Hendricks, Tasha Croskey, David Guinyard, and Walter Streat. Thank you for your attention to this matter.

Sincerely,

RICHARD J. CONDON
Special Commissioner
of Investigation for the
New York City School District

By:

Gerald P. Conroy
Deputy Commissioner

RJC:GPC:gm

c: Michael Best, Esq.
Theresa Europe, Esq.