May 1, 2006

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

Re: Juanita Marte
SCI Case #2006-0780

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that Juanita Marte, formerly a Parent Coordinator at Public School 8 (“PS 8”) in the Bronx, improperly collected more than $37,000 in New York City Department of Education (“DOE”) salary for her former position after having submitted her resignation.¹

The investigation began on March 1, 2006, when investigators from the Office of the Special Commissioner of Investigation for the New York City School District (“SCI”) received a telephone call from Allen Godlewicz, the Operations Supervisor for Region 1. Godlewicz informed SCI investigators that, although Marte had been terminated effective November 15, 2004, she continued to receive her salary, through direct deposit into her bank account, until February 2006.

SCI investigators spoke to Godlewicz, at Region 1, in March 2006. Godlewicz told investigators that, during a routine audit of DOE personnel within the region, the Human Resources Liaison, Marian Eugene, learned that Marte was still receiving a DOE salary by direct deposit although she had not been working at PS 8 since November 15, 2004.²

¹ Marte stopped working at PS 8 in November 2004.
² Godlewicz later furnished SCI investigators with DOE payroll printouts which demonstrated Marte’s continued payment through the direct deposit system.
Investigators spoke to Eugene in March 2006, who stated that she became aware, during the previous month, that Marte was still receiving direct deposit payments of her DOE salary even though there was another parent coordinator employed at PS 8. Eugene explained that the DOE employs only one parent coordinator at each elementary and middle school. Eugene informed investigators that she checked the Galaxy database, which lists DOE employees, and it did not list Marte as currently employed by the DOE. However, a check of the H Bank payroll system revealed that Marte was still receiving direct deposit payments of her parent coordinator salary. Eugene stated that she directed one of her assistants to contact Eileen McArdle, the payroll secretary at PS 8, to inquire if Marte’s resignation paperwork had ever been submitted to the school because the Region 1 office had never received it. According to Eugene, the assistant was told by McArdle that Marte’s paperwork had been received at the school and faxed to the Region 1 office in December 2004. McArdle was asked to fax the paperwork again which, upon being received, was processed for resignation and payroll termination.

Investigators also spoke to the Principal of PS 8, Maria Quail, in March 2006. Quail recalled that, in November 2004, Marte informed the principal that she would be resigning and presented Quail with a resignation letter. Quail stated that she instructed Marte to inform McArdle of her resignation and to forward her a copy of the resignation letter. Quail informed investigators that the school received pay stubs for Marte in December 2004, but none thereafter. In addition, Quail stated that she placed a posting for the Parent Coordinator position in December 2004, and the spot was filled in February 2005.3 Quail stated that she is not able to add or subtract personnel from the payroll system but assumed, after a new parent coordinator was hired, that Marte would no longer be on the payroll.

SCI investigators spoke to McArdle in March 2006. McArdle informed the investigators that she had, indeed, received Marte’s resignation letter and had faxed it to the regional office on December 2, 2004.4 McArdle also informed investigators that the Region 1 office had made a second request for the same resignation letter in February 2006.

SCI investigators spoke to Marte at her home in March 2006. Marte told investigators that, although she submitted a letter of resignation to Quail in November 2004, she was aware that direct deposit payments from the DOE were still being deposited into her account. Marte explained that she left her position at PS 8, in November 2004, due to her pregnancy, and submitted her letter of resignation directly to Quail at that time. However, Marte told investigators that, even after she submitted her letter of resignation, she continued to receive direct deposits into her bank account. Marte claimed that she contacted McArdle several times, in December 2004 and January 2005, regarding the continued payments, but recalled that the payroll secretary simply

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3 Quail provided SCI investigators with a copy of this posting.
4 McArdle provided SCI investigators with copies of the fax transaction report as verification that the resignation letter had, indeed, been faxed to the regional office.
told her that it takes time to be removed from the payroll system and that she would check with the region on the status. In addition, Marte told investigators that she visited PS 8 in June 2005, and met with McArdle to discuss the continued payments.\footnote{In a second interview, SCI investigators asked McArdle about the June 2005 meeting. McArdle did not recall meeting with Marte at that time.} According to Marte, McArdle informed her that the school was no longer receiving Marte’s pay stubs and that she would attempt to have the payments discontinued by the region.\footnote{SCI investigators spoke to Fred Chiodini, Director of Employee Support Services, Check Security, in March 2006. According to Chiodini, Marte’s pay stubs were regularly sent to PS 8 until February 2006.} Marte informed investigators that, in June 2005, due to significant financial difficulties, she began withdrawing money from her bank account which included the DOE payments she had been receiving inappropriately. Marte told investigators that she was physically shaken and upset by this situation and wanted to pay back the money which she wrongfully received.

A review of Marte’s bank records, however, demonstrated that Marte not only continued to receive direct deposits from the DOE from November 2004 through February 2006, but that she regularly withdrew money from the account, including the DOE payments, well before the June 2005 date that she gave to investigators. An analysis of Marte’s account demonstrates that, during the time period from December 3, 2004, through February 10, 2006, Marte received a total of $37,769.60 from the DOE. During that time, the greatest balance amount was $7,832.21 in June 2005, and the lowest amount was a negative balance, also in June 2005. The account statements clearly show regular ATM, debit card, and check withdrawals from the account for such routine items as rent, utilities and auto payments. It is, therefore, clear that Marte did not refrain from using the DOE payments until June 2005, as she told investigators, but rather was using this improperly collected money from the beginning.

Juanita Marte knowingly accepted, withdrew, and apparently spent, more than $37,000 in DOE money that was wrongfully deposited into her bank account after she had resigned from her DOE position in November 2004. It is therefore the recommendation of this office that she be placed on the ineligible list, and that this matter be considered should she apply for any position with the New York City school system in the future. In addition, a full accounting of Marte’s DOE payroll records should be completed and she should be required to reimburse the DOE for the approximately $38,000 that she was erroneously paid after her DOE employment ended.

In addition, it is clear from this investigation, as well as several similar recent cases that, although resignation letters are regularly submitted to a school’s principal and payroll secretary, these letters and their resignation information often do not successfully transfer from the individual school to the Regional Operations Center or the DOE payroll department. Therefore, it continues to be our recommendation that the DOE develop a uniform method of removing former DOE employees from the payroll system when their
employment ends, and that each party within each region be advised of his or her responsibilities within the process.

We are sending a copy of this letter and of our report concerning this investigation to the Office of Legal Services. In addition, we also are forwarding our findings to the Bronx County District Attorney’s Office for whatever action they may deem appropriate. Should you have any inquiries regarding the above, please contact Special Counsel Daniel Schlachet, the attorney assigned to the case. He can be reached at (212) 510-1418. Please notify Mr. Schlachet within thirty days of receipt of this letter of what, if any, action has been taken or is contemplated concerning this investigation. Thank you for your attention to this matter.

Sincerely,

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

By:  ______________________________
Regina A. Loughran
First Deputy Commissioner

RJC:RAL:DIS:ss

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