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Written Submission of Commissioner Anastasia Coleman on Behalf of SCI

SUBMITTED BY ELECTRONIC MAIL

Chairman Tregyer, Committee on Education
Chairman Torres, Committee on Oversight and Investigations
New York City Council
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Chairpersons Tregyer and Torres, and the members of the Committees on Education and Oversight and Investigations:

I write to you today, and thank you for the opportunity, to address the Committees concerning SCI's Preliminary Budget for Fiscal Year 2021 and to share with you the office's ongoing substantial accomplishments. In light of the current circumstances regarding COVID-19, I appreciate the opportunity to advise you about SCI's efforts in writing in lieu of personal testimony.

As you know, I am the Special Commissioner of Investigation for the New York City School District, and have served as the Commissioner of SCI for approximately the last 16 months. Previously, I served as an Assistant District Attorney in Kings County, as an Inspector General with the Department of Investigation, and later as the Title IX Coordinator and director of the Office of Institutional Equity and Compliance at Fordham University. In my 30-year professional career, I have worked both outside and inside City government. As a former prosecutor and career investigator with no political agenda, my focus is to ensure that children receive a safe and secure education without the interference of fraud, corruption, waste or inappropriate political influence.

I welcome this opportunity to update your Committees on our ambitious plans. I'm pleased to write that SCI, through the efforts of its hardworking staff, has been effective in achieving our goals of making the system safer and more efficient for our children and the taxpayers of New York City, and adhering to our stated mission. 2019 was my first full year as Special Commissioner. Over this past year, I had an opportunity to evaluate our investigations, our standards, our available resources, and our needs. Our office intends to expand its role investigating and prosecuting wrongdoing in the New York City schools. To do so, however, we must add more highly trained investigators and attorneys. And to do that, we must increase our budget.

This year SCI celebrates the 30th anniversary of its founding by Mayor Dinkins and the former Board of Education. Since 1990, SCI has been the independent watchdog of the NYC School District,

and has embraced her continued commitment to uncovering wrongdoing and fraud in the school district, now known as the Department of Education (“DOE”), that currently educates approximately 1.1 million students at approximately 1,800 facilities, and had an approximate budget of \$27 billion.

Last year, SCI received more complaints than in any single year in its history – nearly 10,000. Most complaints come to us through DOE employees – teachers and administrative staff most frequently. Per Executive Order 11, the City Charter, BOE Resolutions and Chancellor’s Regulations, DOE employees are required to report wrongdoing to SCI, and most take this obligation seriously. We also automatically receive arrest notifications of DOE employees. SCI also receives complaints from numerous other sources including parents, vendors, other City agencies, and elected officials such as yourselves. SCI investigators, in coordination with our legal team, interview witnesses in the field and in sworn depositions at our office and obtain pertinent documents, frequently by subpoena. We review the facts, and make a determination as to what happened, and we operate under the hallmark principle that every investigation is unique.

The 2019 numbers demonstrate a significant increase from the previous year in most categories. SCI investigated 695 open cases, an increase from 515 in 2018. We made 328 personnel-related recommendations based on our findings, and 139 of those resulted in disciplinary actions taken by the DOE, with another 183 pending in DOE’s administrative processes. SCI recommended, and DOE followed through with, suspensions, fines, recuperation of funds. Several DOE employees were dismissed, and problem codes were entered into their files as a block on rehiring; others had their pay or leave reduced or received written admonishments in their personnel files.

SCI investigated 210 cases involving allegations of sexual or other inappropriate conduct by DOE employees and vendors concerning students, and substantiated allegations against individuals in 61 such cases – nearly 30 percent. By comparison, in 2018, SCI investigated 172 such cases and substantiated 23, about 13 percent.

We substantiated 63 cases involving loss, theft, or mismanagement of DOE funds totaling more than \$10 million. We encourage all of the members, as well as members of the public, to visit our newly-designed website, where we post case reports, press releases, and our Policy and Procedure Recommendations issued to the DOE.¹

SCI also completed investigations that identified systemic flaws in DOE policies and revealed financial losses due to contractual mismanagement. In one such investigation, SCI revealed deficiencies in the DOE sexual harassment policy, which was implemented, in part, for the DOE to adhere to Title IX guidelines.²

As part of our mission, SCI investigated 28 cases involving a conflict of interest which were referred to the New York City Conflicts of Interest Board (“COIB”). SCI is also responsible for receiving and investigating whistleblower complaints made by DOE employees or those doing business with the DOE, and we investigated several whistleblower complaints last year. In addition, as the inspector general for both the Teachers Retirement System and the Board of Education

¹ <https://nycsci.org/ppr/>.

² <https://nycsci.org/wp-content/uploads/2018/Reports/Review-of-DOEs-Processes-for-Training-Student-to-Student-Sexual-Harassment-Liaisons.pdf>.

Retirement System, SCI investigated four cases involving allegations of financial wrongdoing related to retirement funds.

SCI employs experienced, seasoned investigators, many of whom began their careers in the NYPD or other law enforcement agencies. Because we rely upon investigators with experience, we are selective in our hiring process. Our Investigations Unit is comprised of three “teams,” one of which is solely dedicated to complaints of sexual or other inappropriate conduct. SCI’s investigators provide our Legal Unit with detailed information regarding their findings, and our attorneys – in coordination with me – carefully review the investigative file and determine appropriate referrals and recommendations. SCI also employs a small but dedicated administrative and support staff who assist in all aspects of keeping SCI running.

During the 2020 fiscal year, SCI had a budgeted headcount of 69 employees. Within the past year, the office added 14 hires in various capacities, including three in audit and investigative support analyst roles, which has been a particular focus of mine. Currently, we have 62 positions filled, with two more having completed final interviews and others in the various stages of the hiring process. As such, we anticipate reaching our 69 employee cap soon. This is challenging because we have such high standards for our hires. And in any event, reaching that budgeted cap will not ensure that SCI can execute full and thorough oversight of all elements of the DOE. In fact, our workforce needs to expand beyond the current quota of 69 employees in order to fully realize the mission of this office. SCI’s 2020 fiscal year budget was \$6.025 million. It included an other than personnel services (“OTPS”) amount of \$335,131 for operational expenses, including supplies, equipment, and vehicles. After a year of assessing the operations of SCI, I believed it was important to engage with OMB to request more funds, both personnel and OTPS, so that we might better fulfill our mission.³ As such, in December 2019, we requested an additional 24-person headcount over the next two years, and an increase in our operational funding to correspond with the added personnel. In all, SCI requested a budget increase to \$2.03 million, inclusive of \$870,131 in OTPS.⁴

My vision for the office is to continue to be responsive to the thousands of complaints we receive while expanding upon our work, to oversee and investigate a wider range of complaints, and to conduct more proactive investigations, reviews, evaluations, and audits of DOE programs and operations, to get to the root of corruption and to better discern patterns of inefficiency and wrongdoing.

In sum, the 2020 fiscal year was a busy one for SCI by any measure. SCI staff completed work in a timely and diligent manner, in a fashion far beyond that expected of an agency our size and with our limited budget. We are an office that is a fraction of the size of the agency we are tasked to oversee. Our current annual budget would have funded the DOE for merely two *hours* of its operation. SCI will never shy away from our mission, nor side-step thorny investigations. We merely request that we be funded in a manner befitting the scope of our mission. As stated, our new needs were submitted in December. Given the current situation that New York City faces regarding the COVID-19 pandemic, I understand that resources are at a premium. However, SCI is charged with

³ Since its inception, as a pass-through of the DOE annual budget, SCI has always sought modifications to its budget directly from the OMB Education Task Force.

⁴ Due to the COVID-19 outbreak, and the ensuing State and local directives, I authorized an emergency expenditure of approximately \$35,000 to enable remote workplace accessibility in short order. Although long overdue, this emergency upgrade to our computer and telecommunication abilities placed a significant burden on our limited OTPS resources.

oversight of one of the largest City agencies, and even an incremental increase in our budget maximizes our ability to function. Without new needs being met, we will continue to be understaffed.

Again, I'm extremely proud of the SCI staff and its effort in the past year. Your continued support in meeting the critical needs of the agency is vital not only to our mission, but to the mission of New York City and its students.

Sincerely,

/s/ Anastasia Coleman

Anastasia Coleman

Special Commissioner of Investigation

Dated: March 25, 2020