

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

Anastasia Coleman
Special Commissioner

Telephone: (212) 510-1400
Fax: (212) 510-1550
www.nycsci.org

VIA ELECTRONIC MAIL

December 30, 2025

Hon. Melissa Aviles-Ramos
Chancellor
New York City Public Schools
Department of Education
52 Chambers Street, Room 314
New York, NY 10007

Re: SCI Review of DOE School-Level
Procurement Procedures Rules Violations
SCI Case #: 2024-05956

Dear Chancellor Aviles-Ramos:

The Office of the Special Commissioner of Investigation for the New York City School District (“SCI”) conducted a self-initiated review of the procurement procedures of the New York City Department of Education (“DOE”) due to increased procurement rules violations at the school level that SCI investigated and substantiated. Procurement of goods and services by the DOE at the school level totaled \$386 million for Fiscal Year 2025, of which \$153 million was for services alone.¹ Violations of procurement rules often resulted in financial losses to the DOE, led to state and federal prosecutions, and/or prevented the DOE from working with the most qualified vendors at fair market prices.

Prior SCI investigations and our current self-initiated examination identified specific areas of deficiency that led to many procurement rules violations at the school level. In this self-initiated

¹ The DOE Fiscal Year 2025 ran from July 1, 2024, to June 30, 2025.

review, SCI identified four areas in which changes could drastically reduce procurement rules violations at the school level: (1) proper training in procurement procedures and Chancellor's Regulations regarding procurements, (2) increased oversight of non-DOE-contracted vendors, (3) prevention of vendors improperly providing multiple bids, and (4) increased scrutiny of vendors classified as the sole source of required goods or services.

I. Background

A. DOE-Contracted vs. Non-DOE-Contracted Vendors

DOE-contracted vendors are companies that go through a formal procurement process and enter into formal contracts to provide goods and services to the DOE. DOE-contracted vendors are vetted by the DOE Division of Contracts and Purchasing ("DCP"), which includes, among other things, a review of the vendors' background, assessing their financial and organizational capacity, and evaluating past performance.

In contrast, non-DOE-contracted vendors go through an informal procurement process with no vetting by the DCP. Further, for purchases under \$25,000 by DOE schools, DCP has no oversight of non-DOE-contracted purchases. Instead, the Division of School Leadership ("DSL") has approval oversight over these purchases at the district level through the respective Superintendent's Support Team.

B. Procurement Policies and Procedures

As a quick overview, the Financial Accounting Management Information System ("FAMIS") portal is "the DOE's web-based purchasing application that allows users to make purchases from DOE-contracted vendors."² FAMIS contains a catalog of goods commonly used by schools whose cost has previously been agreed upon by the DOE and various suppliers. These items can be ordered directly by the schools through FAMIS.

If a school wishes to purchase an item that is not listed in FAMIS, then the school must follow the guidelines set forth in the DCP publication *Department of Education Procurement Policy and Procedures* ("PPP"), which specifies thresholds that initiate progressively higher levels of required actions for procurement purposes.³ For instance, with respect to the purchase of goods, items \$250 or below do not require a competitive bidding process. Purchases of goods above \$250 and up to \$5,000 require at least two oral or written sealed competitive bids. Purchases of goods above \$5,000 and up to \$15,000 require at least two written sealed competitive bids, and purchases of goods above \$15,000 require at least three written sealed competitive bids.

Further, PPP Section 3-08 contains guidelines for negotiated services. Negotiated services above \$25,000.00 require: (i) the approval of the DOE's Chief Procurement Officer ("CPO"), (ii)

² See, NYC InfoHub, FAMIS-Related Resources.

³ Available at <https://infohub.nyced.org/docs/default-source/default-document-library/departmentofeducationprocurementpolicyandprocedures.pdf>.

a Notice of Intent to Procure to be published in the City Record and on the DOE website to alert potential vendors, and (iii) a Notice of Award of a successful bid to be published on the DOE website. In contrast, negotiated services \$25,000 or below merely require the approval of the school principal, without the involvement of the CPO or the notice requirements associated with services above \$25,000.

There are other provisions within PPP that cap the amount of money schools can spend without further approval. For instance, PPP Section 1-04 states that if a required good or service is not available through an existing contract, then the non-contracted good or service can be directly procured by the Principal or Head of Office up to \$25,000, or the school can submit a request to DCP to procure the goods or services on their behalf for purchases above \$25,000.

C. Bidding Process

The DOE requires schools to publicly solicit competitive bids for goods and services beyond a threshold dollar amount and awards contracts, in theory, to the best bids from qualified independent vendors.⁴ This process is in place to try to ensure transparency, fairness, and equal opportunity for vendors and to protect public funds.

There are, however, certain exceptions to the bidding process. For instance, as described above, purchases of goods under \$250 do not require a competitive and open bid. Another such exception is for sole source vendors. A sole source vendor is a vendor who is the only provider of a particular good or service (*i.e.*, there is no other vendor in the marketplace who provides the same good or service, rendering the ordinary bidding process for that good or service moot). Instead of soliciting bids, schools can negotiate directly with the vendor once they document why no other vendor can meet the need and why competitive bidding is not feasible. The documentation is often satisfied by what is commonly referred to as a sole source vendor letter.

D. Oversight of the School Level Procurement Process

According to [REDACTED], procurement of goods and services by the DOE at the school level totaled \$386 million for Fiscal Year 2025, of which \$153 million was for services. This money came directly from school budgets, and was overseen by each individual school principal. [REDACTED] informed investigators that all vendors doing business with the DOE must request and receive a vendor ID through FAMIS from DCP's Vendor Resources Unit, which vets all requests for vendor IDs to ensure that, among other things, each vendor is a unique and financially independent business entity. Prospective non-contracted vendors must confirm that they do not have an existing contract with the DOE, and that purchase orders from the vendor must not exceed \$15,000 for goods or \$25,000 for services per vendor ID per fiscal year at a single school. DOE school principals must confirm that the goods or services being sought from a non-contracted vendor are not available through an existing DOE contract.

⁴ Representatives from both DCP and DSL stated that the best bids were not necessarily the least expensive, as other factors, such as availability and timing, could factor into the bidding.

New York State Department of Labor (“DOL”). Garner pleaded guilty to the same crime on March 20, 2025, in the SDNY. On July 31, 2025, Garner was sentenced to time served with three years of supervised release, a fine of \$20,000.00, and restitution in the amount of \$35,216.70 to the DOL.

- *Jacqueline King-Robinson, et al.*, SCI Case No. 2023-5679 – Principal King-Robinson circumvented the DOE bidding process by approving purchase orders separated into \$5,000 increments from two vendors.⁶
- *Jabari Edwards and Luis Castillo*, SCI Case No. 2024-04105 – Principal Edwards circumvented DOE procurement policy and procedures by knowingly approving multiple purchase orders each below \$25,000 for services allegedly provided by two separate companies that Edwards knew had common ownership (Castillo) and that provided only one service. Edwards did so to circumvent the requirement of CPO approval. Castillo’s two companies were each separately registered under unique vendor numbers but listed Castillo as the owner and shared the same business address.
- *Mariela Graham, et al.*, SCI Case No. 2025-01089 – Deputy Superintendent Graham violated several DCP rules by improperly entering into a non-bid negotiated services contract valued at \$180,000 with a non-DOE contracted vendor in order to circumvent DCP bid thresholds and DOE’s Multiple Task Award Contract (MTAC) processes.
- *Four Winds Tours and Travel LLC (“Four Winds”), et al.*, SCI Case No. 2019-3566 – This matter involved numerous schools who used the services of Four Winds for travel purposes and violated DOE procurement policy and procedures. Among other things: at I.S.318, Four Winds allegedly “won” a contract over two other vendors even though Four Winds did not submit a bid, another vendor denied submitting a bid and the third vendor claimed that its bid was altered; at Frederick Douglass Academy III, on three occasions, a school staffer split a purchase order over \$5,000 into multiple purchase orders below \$5,000; at High School for Community Leadership, school staffer submitted multiple fraudulent bids competing with Four Winds with increased amounts; similarly, at Voyages Preparatory High School, school staffer submitted a fraudulent bid where Four Winds won the contract; and at Cascades High School, school staffer provided Four Winds with bids from two rival vendors.
- *Kyle Brillante and Frederick Wolf*, SCI Case No. 2023-8062 – Principal circumvented DOE procurement policy and procedures by knowingly allowing two vendors he knew were each owned by Wolf, to split a purchase order that combined exceeded the \$25,000 and would have required CPO approval. Wolf also supplied sole source vendor letters without conducting any research to support it.

⁶ There were multiple other substantiated findings within this case, including that Principal Rowena Penn, who was a mentor to King-Robinson, knowingly hired one of the vendors that King-Robinson used, which was owned by Penn’s husband. Penn lied to SCI investigators when asked about her relationship to the vendor’s owner (her husband).

- *Samantha Perkel*, SCI Case No. 2024-09243 – Perkel, the owner of two non-DOE-contracted vendors, submitted an estimate for services that exceeded the \$25,000 annual purchase limit per school for non-DOE-contracted vendors, and suggested to the DOE staffer that she could split the invoice into two separate invoices between her two companies.⁷

In many of these cases, SCI made recommendations to the DOE in order to minimize procurement procedure violations in the future. Further, as a result of these findings, SCI sought to identify DOE practices that may have facilitated these violations. To the extent that such violations persist and have resulted in significant losses to the DOE, and in some cases criminal prosecutions, SCI has self-initiated this review to identify these areas of vulnerability.

III. Potential Deficiencies and Areas of Vulnerability

As part of its self-initiated review into identifying deficiencies leading to procurement rules violations, SCI investigators interviewed numerous persons with knowledge of various procurement rules and practices, including individuals at DOE DCP and DSL.

As indicated above, unlike DOE-contracted vendors that are vetted by DCP, non-DOE-contracted vendors go through an informal and less stringent procurement process with no DCP vetting. According to [REDACTED], DCP has no oversight of non-DOE-contracted purchases under \$25,000 by DOE schools. Instead, [REDACTED] acknowledged that DSL oversaw the approval of these purchases at the district level through the respective Superintendent’s Support Team.

According to another DCP official (“DCP Official”), DCP does not vet non-DOE-contracted vendors due to staffing issues.⁸ As a result, staff at the school level are charged with vetting vendors and ensuring that they adhere to procurement rules provisions. However, many staff at the school level are not adequately trained to properly vet and manage non-DOE-contracted vendors.

Consistent with findings in numerous SCI substantiated cases, the DCP Official believed that many non-DOE-contracted vendors exploit this failure in oversight by: (1) providing bids from other vendors as part of the bidding process which are not independently verified by school staff, and (2) consistently providing sole source vendor letters to schools that are not properly vetted by school staff.

A. Risks in the Bidding Process

Numerous SCI investigations involving procurement rules violations reveal patterns of misconduct and process deficiencies in the bidding practice when vendors submit not only their

⁷ The school declined Perkel’s suggestion and stopped using her services for the year when the \$25,000 limit was reached.

⁸ At the individual’s request, DCP Official’s identity has been withheld.

own bids, but bids of other vendors. Beyond the potential of collusion, conflict of interest, and bid-rigging, recent SCI investigations showed the following susceptibility:

1. *Splitting Procurements Between Multiple Entities by the Same Vendor*

One issue identified by SCI investigators and described as “ongoing” by the DCP Official was the creation of multiple entities (with different names, VIN numbers, vendor numbers, etc.) by a single vendor which provide the same service in order to circumvent the \$25,000 threshold for contracts, which would trigger increased scrutiny by the DCP, by splitting the work among these multiple entities, often owned by the same individual. For example, in *Mariela Graham, et al.*, SCI Case No. 2025-01089, SCI substantiated that multiple entities providing the same services and owned by the same individual were used to circumvent the \$25,000 threshold at several DOE schools.

2. *Splitting Procurements into Separate Purchases by the Same Vendor*

Similarly, SCI investigations have shown that vendors intentionally divide a single procurement into multiple smaller purchase orders to remain below the required dollar thresholds for competitive bidding. For example, in *Four Winds*, SCI Case No. 2019-3566, SCI substantiated that two DOE schools submitted multiple purchase orders from the same vendor below \$5,000 to avoid the three-bid process.

3. *Forged or Falsified Bids*

Another vulnerability is the submission of forged or falsified bids, which can include fabricated vendor quotes or bids submitted in the names of vendors who never actually participated. Such instances create the appearance of compliance with procurement rules while circumventing the competitiveness, fairness, and transparency of the bidding process. In *Four Winds*, SCI Case No. 2019-3566, SCI substantiated that a vendor supplied multiple fraudulent bids alleged to be from competitors in order to satisfy the three-bid requirement.

B. Sole Source Vendor Letters

The current DOE school-level practice to determine whether a vendor is the sole source of a desired product or service is not standardized.

Several SCI investigations revealed that instead of conducting due diligence to determine that a vendor is indeed a sole source of a particular good or service (thereby dispensing with the need to engage in the competitive bid process), schools often rely on letters provided by vendors to assure the schools that there are no other vendors capable of providing the same products and services. For example, in *Kyle Brillante et al.*, SCI Case No. 2023-8062, SCI substantiated that a DOE principal accepted two sole source letters from two entities with the same owner and sharing the same physical address in order to bypass the \$25,000 threshold. The principal told investigators that he never received training from the DOE in the vetting of sole source letters, and

that his understanding was that once he was provided with a sole source letter from a vendor, the principal was under no obligation to seek out other vendors.

Because approval of sole source vendor contracts up to \$25,000 rests entirely with the school principal, there is no DCP oversight of these contracts. Thus, under the current practice, (i) schools have near complete control over the determination that a vendor is a sole source for all contracts of \$25,000 or less, (ii) there is no requirement that schools independently verify that a vendor is indeed a sole source, and (iii) the document upon which schools often rely to make this determination – the sole source vendor letter – is drafted by the vendors themselves. The current practice creates a situation which is open to abuse by both the schools and the vendors. As a result, the DCP Official believed that the DCP should assign personnel to vet non-DOE-contracted vendors at the school level, and to ensure that non-DOE-contracted vendors continued to meet DOE standards.

C. Training

The DCP Official told SCI investigators that there was a lack of training in procurement procedures for school staff. As an example, school staff “consistently” failed to upload bids containing contact information for non-DOE-contracted vendors into FAMIS, making it difficult for the DCP to assure bid authenticity. The DCP Official believed that all principals and other staff involved in procurement should receive training in these procedures, including an annual refresher course and certification of course completion.

SCI investigators spoke with [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] regarding the procurement procedure training currently provided to principals. [REDACTED] said that DSL provides training in various areas of procurement and purchasing to DOE Borough Field Offices, who, in turn, provide training to school-based staff. While the training is currently voluntary, new school staff are strongly encouraged to attend. [REDACTED] noted that during the 2023-2024 school year, 19 training sessions on various procurement topics were conducted, including:

- Basic Procurement Training;
- Intro to FAMIS Parts 1 & 2;
- FAMIS/Purchasing Beginner;
- FAMIS/Purchasing Intermediate;
- Navigating FAMIS;
- Galaxy to FAMIS; and
- Small Item Payment Process (“SIPP”) Overview.

Based on documents provided, SCI investigators discovered that training opportunities and training recordkeeping vary widely by Borough Field Office. All training is voluntary. There is no centralized database tracking the training received by each staff member, and some Borough Field Offices do not even record attendance.

D. Improperly Shared Login Credentials

Many investigations have uncovered instances in which school principals have shared their FAMIS login credentials with unauthorized employees, allowing these untrained employees improper access to the DOE procurement system.⁹

- *Andrea Hernandez and Norma Rosario*, SCI Case No. 2018-6939 – a principal provided a community associate with her FAMIS login credentials, allowing the community associate to gain complete control of the school’s financial transactions, and to steal tens of thousands of dollars from the DOE.
- *Michele Cenci and Andrew Cosentino*, SCI Case No. 2023-3992 – a principal provided a school secretary with his FAMIS login credentials and a stamp of his signature, allowing the school secretary to steal \$145,060.11 from the DOE by writing fraudulent checks and creating 257 SIPPs.
- *Abi Corbin and Anthony Cromer*, SCI Case No. 2024-07587 – a principal provided a community associate with his FAMIS and Galaxy login credentials and a stamp of his signature, allowing the community associate to steal nearly \$415,000 from the DOE by purchasing goods, services, and tickets to events for herself and her personal cheerleading business, submitting false invoices for non-existent services by her business, and writing fraudulent checks to herself and another individual.

E. Circumventing the \$25,000 Threshold Requiring Executive Approval

SCI investigators spoke with ██████████, who said that one of his responsibilities was to review purchase orders and manage the budgets of the 45 schools in his district. ██████████ said there was a lack of oversight of purchases made through non-DOE-contracted vendors, and that vendors and school principals could exploit this oversight. ██████████ noted that, because these non-DOE-contracted vendors were unvetted, they could provide identical services to schools under multiple entity names to circumvent the \$25,000 threshold. ██████████ said that if principals entered such purchase orders in FAMIS using multiple entity names, his office would have no way to identify any wrongdoing. ██████████ also said that there was no way his office could determine if a vendor had multiple entities registered at the same address.¹⁰ ██████████ believed that there was a shortage of staff at the borough procurement level, making it difficult to oversee and verify purchase orders.

⁹ See, e.g., SCI Case nos. 2018-6939, 2023-3992, and 2024-07587.

¹⁰ ██████████ did, however, note that non-DOE-contracted vendors were required to submit United States Internal Revenue Service Form W-9 to the New York City of Department of Finance (“DOF”) to provide services to the DOE. Form W-9 contains the vendor’s name, address, and taxpayer identification number. The DOF, not the DOE, is the agency which pays a vendor after a purchase order is certified in FAMIS.

IV. Conclusions and Recommendations:

SCI has identified issues in four areas that are likely leading to procurement rules violations at the school level and is offering the following Policy and Procedure Recommendations (“PPRs”) in each of these areas.

A. Training

DOE school staff are not receiving proper training in DCP procurement procedures and in Chancellor’s Regulations regarding procurements. What training is available is voluntary and not standardized DOE-wide. Consequently, SCI offers the following PPRs:

1. SCI recommends that all principals and school staff involved in procurement receive mandatory, standardized training in the proper DOE procurement procedures before making any procurements, including training in FAMIS usage, bidding guidelines, sole source vendor letters, SIPP guidelines, and all relevant Chancellor’s Regulations.
2. SCI also recommends that this training, including competency testing, be conducted annually.
3. SCI recommends that the DOE create a database, accessible to SCI, containing the names of all staff receiving this training, and the dates of the initial training completion and all subsequent annual re-certifications.
4. SCI recommends that the DOE ensure that all school staff authorized to make procurements of goods and services on behalf of the DOE certify in writing that they are aware of the requirements stated in *PPP* that many DOE procurements from non-DOE-contracted vendors are subject to a competitive bidding process outlined in Chapter 3 of *PPP*.

B. Non-DOE-contracted Vendor Oversight

Currently, the DCP has no staff assigned to vet non-DOE-contracted vendors or ensure their compliance with DOE rules and regulations. Consequently, SCI offers the following PPR:

5. SCI recommends that the DCP assign adequate staff and resources to vet non-DOE-contracted vendors, including the review of purchase orders submitted by schools from non-DOE-contracted vendors, to ensure their compliance with DOE rules and regulations.

C. Vendor-Provided Bids

By improperly providing bids on behalf of other vendors, non-DOE-contracted vendors prevent the DOE from securing the best market prices. School staff interviewed by investigators in past investigations have said that they were not under an obligation to keep records indicating

the source of independent bids or how those bids were obtained. Consequently, SCI offers the following PPRs:

6. On the DOE side, SCI recommends that all principals and staff involved in procurement maintain records indicating the source of independent bids and how those bids were obtained. SCI recommends that those records be required to be submitted to FAMIS along with any invoices for payments for goods or services secured at the school level as a result of those bids.
7. Also on the DOE side, SCI recommends that the text of the certification section of each purchase order be changed to: “I hereby certify that the items ordered below are essential for the operation of the educational or administrative program, and that this purchase complies with all Department of Education bidding, contracting, and procurement regulations. I further certify that sufficient funds have been reserved in the budget account codes listed below, and that all applicable rules and regulations governing the procurement of these goods and services have been followed. I acknowledge that failure to comply with Division of Contracts and Purchasing rules and regulations may result in administrative action and potential criminal prosecution.”
8. On the vendor side, SCI recommends that the DCP create a vendor certification form to be signed by all non-DOE-contracted vendors for each bid submitted stating that the vendor has provided its bid independently from any other vendor, and that the vendor acknowledges that providing false bids for other entities is a crime. Each vendor certification form should be required to be submitted to FAMIS along with any invoices for payments for goods or services secured at the school level as a result of those bids.
9. In order to stress the requirement that all bids received through the simplified procurement method outlined in Section 3-10 of *PPP* are competitive, SCI recommends the following changes to the text of *PPP*:
 - a. the text of Section 3-10(c)(1)(ii) should be changed from “at least three vendors” to “at least three independent and unaffiliated vendors”;
 - b. the text of Section 3-10(c)(1)(ii)(A) should be changed from “at least two vendors” to “at least two independent and unaffiliated vendors”;
 - c. the text of Section 3-10(c)(2)(ii) should be changed from “at least three vendors” to “at least three independent and unaffiliated vendors”; and
 - d. the text of Section 3-10(c)(2)(ii)(A) should be changed from “at least two vendors” to “at least two independent and unaffiliated vendors”.

D. Sole Source Vendor Letters

Currently, DOE school staff routinely accept unvetted sole source vendor letters provided by non-DOE-contracted vendors in order to bypass the competitive bidding process. Consequently, SCI offers the following PPRs:

10. SCI recommends that appropriate school staff be tasked with conducting independent research to confirm that the vendor is the only legitimate source of the good or service sought, and that documentation supporting this research be uploaded to FAMIS for verification by the DCP.
11. SCI also recommends that the format for sole source vendor letters be standardized by the DOE to facilitate evaluation by school staff and the DCP, and to eliminate the ability of vendors to dictate the content of these letters.

We are sending a copy of this letter to the DOE Office of Legal Services. Should you have any inquiries regarding the above, please contact David Casanova, the assigned attorney for this matter, at (212) 510-1419 or dcasanova@nycsci.org. Please notify SCI within 30 days of receipt of this letter as to what, if any, action has been taken or is contemplated with respect to the findings detailed herein. Thank you for your attention to this matter.

Sincerely,

ANASTASIA COLEMAN
Special Commissioner of Investigation
for the New York City School District

By: /s/ Daniel I. Schlachet
Daniel Schlachet
First Deputy Commissioner

AC:DS:MC:DC:kn

cc: Elizabeth Vladeck, Esq.
Karen Antoine, Esq.
Katherine Rodi, Esq.
Monica Davis-Thorne, Director