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Report Released Today - Copies Available

Today, Special Commissioner of Investigation Richard J. Condon released a report detailing an investigation which found that DynTek, Inc., a Department of Education ("DOE") vendor engaged a subcontractor to service the DOE's Department of Instructional and Information Technology ("DIIT") over a four year period in violation of its contract. DynTek's contract with the DOE precludes the vendor from utilizing external consultants to complete its work. Nevertheless, without the knowledge or authorization of the DOE, DynTek repeatedly placed computer consultants employed by another firm, ERS Systems, Inc. ("ERS"), at DIIT. DynTek marked up its bills to the DOE to account for the added expense of using ERS. Consequently, the DOE paid approximately $437,000 in needless costs for services rendered by DynTek and its counterparts. The Special Commissioner has recommended that the DOE pursue this sum – plus a large interest payment – from DynTek as a condition of the firm's continued business with the DOE.

The Special Commissioner has also recommended that the DOE modify their contractual agreements to include a provision that would require the vendor to periodically provide certified documentation to prove that it directly employs the personnel assigned to DIIT. He has also recommended that the DOE contract should provide for liquidated damages paid to the DOE for violations, calculated at the markup in billings, plus a large interest payment on that sum.

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.