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THE SPECIAL COMMISSIONER OF INVESTIGATION
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Edward F. Stancik
Special Commissioner

NEWS RELEASE
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Subcontractor Commits Fraud During BOE Lead Abatement Project

Today, in a letter sent to Chancellor Rudy Crew and members of the Board of Education ("BOE"), Special Commissioner of Investigation Edward F. Stancik described how a BOE subcontractor submitted fraudulent documents in connection with a \$2 million lead abatement project involving 84 schools in Brooklyn and Staten Island. As the letter makes clear, the subcontractor ignored potential risks to students, school staff, its own employees, and the environment. As a result, in consultation with the Special Commissioner's office, the BOE's Division of School Facilities recently tested the pertinent classrooms for lead exposure and has assured the Commissioner that all are safe for occupancy.

In 1994 and 1995, CSA Contracting Corporation ("CSA") was responsible for the removal and disposal of lead paint waste for the abatement project. In 1997, the BOE's Bureau of Engineering Audit questioned the authenticity of paperwork regarding the disposal of the waste and referred the matter to the Special Commissioner. The letter describes the following misconduct:

- CSA submitted fraudulent waste manifests to conceal the improper combination of lead with asbestos waste and the disposal of the mixture at an asbestos landfill;
- CSA falsified training certificates to hide the fact that the project was performed by laborers who were not trained to perform lead abatement;
- CSA failed to monitor workers for hazardous exposure to lead and concealed this violation by submitting false medical reports for employees;
- CSA submitted false payroll records and did not compensate employees as required under State Labor Laws;
- Finally, even when legally compelled to cooperate with the Special Commissioner's subpoena in 1998, CSA responded by submitting at least one fraudulent training certificate and other documentation that was inconsistent with payroll records.

The Special Commissioner recommends that both CSA and its president, Nickos Sparakis, be permanently barred from bidding on contracts with the BOE and the City, and that this case be considered should either seek to register as an eligible bidder for the BOE or the City. Evidence of CSA's fraudulent activities has been referred to the King's County District Attorney's Office for possible criminal prosecution.