



STATE OF NEW YORK
OFFICE OF THE STATE INSPECTOR GENERAL
Final Report
March 10, 2010

SUMMARY OF FINDINGS/RECOMMENDATIONS

The Inspector General determined that David Carabello, Deputy Director for Administration of the Rockland Psychiatric Center, a part of the New York State Office of Mental Health (OMH), violated New York State ethics laws and OMH policies regarding outside activities to further his personal business interests. Specifically, Carabello used the OMH e-mail system to disseminate a flier regarding the sale of his North Bergen, New Jersey condominium and then made improper promises of advancement for fellow OMH employees Victor Boissiere and Sabrina Boissiere as incentive to persuade Victor Boissiere to purchase his North Bergen condominium.

The Inspector General further found that Carabello loaned Victor \$65,000 for the down payment for that same condominium and engaged in illicit transfers of funds through a third party for the purpose of evading detection. These machinations culminated in a false declaration by Victor Boissiere on his mortgage application for which Carabello was, at least tangentially, complicit. The Inspector General has referred this matter to the Federal Bureau of Investigation for an investigation into possible mortgage fraud on Victor Boissiere's part for providing false information on the mortgage application concerning the source of funds for the down payment and the extent to which Carabello participated in that material misstatement.

In addition to his possible involvement in a mortgage fraud scheme, Carabello failed to disclose on his annual Financial Disclosure Statements to the state Commission on Public Integrity for the years 2006 and 2007 his \$65,000 loan to Victor Boissiere for the down payment for the condominium. The Inspector General referred this matter to the Commission on Public Integrity for its review.

The Inspector General also uncovered Carabello's ill-advised attempt to garner support for a position with the New York State Senate using his OMH position and e-mail account. The Inspector General referred these matters to OMH for appropriate action. OMH advised the Inspector General that Carabello was terminated from his position.

ALLEGATION

In March 2007, the Inspector General received an allegation of misappropriation of funds and malfeasance by specific OMH employees and managers responsible for capital projects at the Manhattan and Rockland Psychiatric Centers which resulted in the arrest and indictment of siblings Sabrina Boissiere and Victor Boissiere by the New York County District Attorney's Office.¹

During the course of that investigation, the Inspector General uncovered a \$15,000 payment from Rockland Psychiatric Center Deputy Director for Administration David Carabello to Victor Boissiere. As a result, the Inspector General commenced an independent investigation of Carabello.

SUMMARY OF INVESTIGATION

Background

The Rockland Psychiatric Center provides treatment, rehabilitation, and support to adults, 18 years of age or older, with severe and complex mental illnesses, and is part of a cooperative network of county and state mental health providers that offer an array of clinical, social, residential, vocational, educational and case management services. Carabello commenced employment with OMH in December 1988 and was assigned to the Rockland Psychiatric Center in April 1997.

State Ethical Prohibitions on Conflicts of Interest

As state employees, all OMH staff members are bound by the ethical dictates of the state Public Officers law. As an OMH employee, Carabello was also required to follow the rules of conduct delineated in OMH's "Human Resources Management Policy Manual."² The Public Officers Law directly prohibits state employees from engaging in conduct which causes or appears to cause a conflict of interest between their official duties and their private endeavors forbidding the intertwining of public and personal concerns. Specifically, a state official such as Carabello may not "have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest,"³ and is required to "abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest." In addition to these specific proscriptions of mingling personal and public interest, a state

¹ On April 2, 2009, as a result an investigation by the Inspector General, Victor and Sabrina Boissiere were indicted by the New York County District Attorney's Office for bribe receiving in the third degree, a class D felony (NY Penal law §200.10).

² The Inspector General was provided the most current version of the policy manual which indicates an effective date of September 1992.

³ Public Officers Law § 74(2).

official may not “use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others,” and “should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.”⁴ The OMH manual repeats the dictates of the Public Officers Law and such by adding under the heading “Outside Activities,” in pertinent part, that “Employees shall not use State personnel equipment, or time to engage in outside employment or activities, except in accordance with an approved academic affiliation.”

Improper and Unethical Use of Carabello’s Official Position and State Property for Personal Gain: The Sale of Carabello’s New Jersey Condominium

All users of OMH computers view and must acknowledge the following message each time they log into their state-issued computer:

You are logging into a computer that is owned by the Office of Mental Health. The use of this computer is governed by OMH policy and federal and state law. All files and e-mails created with use of this computer are the intellectual property of OMH. . . . Anyone who is logged into this computer is responsible for all user related activities while logged in.

Furthermore, OMH’s e-mail policy dated May 1999 states, “E-mail services, like other means of communications, are to be used primarily to support agency business. Staff may also use e-mail to communicate informally with others so long as the communication meets professional standards of conduct. Staff will not use e-mail for illegal, disruptive, unethical or unprofessional activities, or for personal gain, or for any purpose that would jeopardize the legitimate interests of the State.” As set forth herein, Carabello violated state ethics laws and OMH and policies and misused the OMH e-mail system for unethical and unprofessional activities and personal gain.

Carabello claimed to the Inspector General under oath that he had sent a flier regarding the sale of his North Bergen, New Jersey condominium, via his OMH e-mail, to the director of nursing at the Manhattan Psychiatric Center who then circulated the flier among OMH staff. Carabello further testified that it was to this e-mail which Victor Boissiere responded and that he had never met Victor Boissiere prior to Victor Boissiere’s response to this flier. Carabello’s assertions notwithstanding, the Inspector General discovered no OMH e-mails regarding the condominium to or from the director of nursing’s e-mail account; rather, the Inspector General discovered, contrary to Carabello’s testimony, that Carabello initiated e-mails directly to Victor Boissiere, whom he had claimed not to know, regarding circulating the flier amongst members of Victor Boissiere’s club. Specifically, on July 27, 2005, Carabello wrote to Victor Boissiere: “Attached is a copy of the townhouse for sale by owner flyer that you can give to serious buyers who are in the market to purchase a townhouse with easy access to NYC.” And again on August 22, 2005, Carabello sent an e-mail to Victor Boissiere: “I revised the condo for sale flyer and added some photos. Would you please post at your club and

⁴ Public Officers Law sections 74(3)(d) and 74(3)(h).

circulate/distribute among your contacts and friends that are in the market to purchase housing.” These e-mails directly refute Carabello’s sworn assertion that he only became acquainted with Victor Boissiere after Victor Boissiere expressed interest in purchasing Carabello’s condominium.⁵

Not only did the Inspector General find suspect Carabello’s claim of unfamiliarity with Victor Boissiere, but also, by reviewing OMH e-mails, the Inspector General discovered that Carabello repeatedly discussed assisting Victor Boissiere with advancement at OMH as part of his negotiations with Victor Boissiere concerning sale of the condominium. Because Victor Boissiere possessed only temporary employee status, he could be terminated at any time. An upgrade to permanent employee status, Carabello’s enticement to Victor Boissiere, would afford Victor Boissiere much desired job security and a salary increase. The review also established that, after Victor Boissiere had apparently expressed a personal interest in purchasing the condominium, Carabello, in a not-so-veiled attempt to establish a quid pro quo, improperly used state e-mails and juxtaposed those offers of assistance with mention of the apartment he wished to sell. On August 29, 2005, Carabello wrote:

When you get a moment, let’s finish our discussion on long-term career direction and professional management job opportunities, including purchasing and living in the condo which is easily accessible to both NYC and Rockland County, post Manhattan Project Team professional life.

Carabello also guaranteed employment for Victor Boissiere’s Canadian girlfriend whom Victor Boissiere purportedly wished to bring to New York. Carabello wrote⁶ on September 7, 2005:

I have very good and positive news. Middletown and Rockland PCs are officially merging as of April 1, 2006. My staffing proposal to support the Middletown/Rockland consolidation and new services at Rockland has been approved. I will be adding several new staff to the payroll. As we discussed, the packaged deal includes a guaranteed job for your friend. I have set aside a calculation clerk 2, SG-9, job for your friend. The job will be available effective 3/1/06. This should give your friend plenty of time to relocate and obtain whatever legal papers are required for residency in the country.

Only a few days later, on September 11, 2005, Carabello added:⁷

⁵ Perhaps Carabello was attempting to distance himself from Victor because of Victor’s arrest and pending indictment in New York County; regardless, Carabello made misstatements to the Inspector General while under oath which may constitute perjury. New York State Penal Law section 210.15 entitled, “Perjury in the first degree,” states, “A person is guilty of perjury in the first degree when he swears falsely and when his false statement (a) consists of testimony, and (b) is material to the action, proceeding or matter in which it is made.” Section 210.15 is a class D felony.

⁶ This e-mail was sent from Carabello’s personal e-mail account to Victor’s OMH e-mail. Unless otherwise indicated, the e-mails referred to in this report originated from Carabello’s OMH e-mail account.

⁷ This e-mail was sent from Carabello’s personal e-mail account to Victor’s OMH e-mail

Just remember that this is a unique win-win scenario for everyone especially for yourself and your partner. How often does one get the chance of a lifetime to be granted absolute reassurance about job security, professional growth, and career ladder opportunities. This is a commitment that you can take to the bank. Your significant other is also covered under this life insurance umbrella. My word is bond. Eddie can testify first hand that I am a man of my word. Off the record and please keep this information to yourself. My boss is retiring on March 31st or thereabouts. This means that the game plan for you can be put into effect anytime after March 31st. However, I can immediately proceed forward in accommodating your friend sooner than March of 2006 but waiting until march certainly gives your friend more time to make her relocation arrangements and say her goodbyes to family and friends. Clearly, a two income household is the way to go today. A two income family provides a comfort zone and affords a life style that you both deserve. I believe that you and your friend will be very comfortable living in North Bergen. Real estate in North Bergen is getting very hot in this part of northern New Jersey. Get in on the ground floor and watch your investment double within 3-5 years.

The quid pro quo is evident.

Victor Boissiere, at a certain point after Carabello's enticing e-mails, agreed to purchase the condominium. Victor Boissiere's and Carabello's real estate transaction, however, included some notable anomalies. Initially, the flier which Carabello had sent to Victor Boissiere included an asking price of \$350,000. Carabello testified that, other than Victor Boissiere's offer, he received no other bids on the apartment at that time. Nevertheless, the contract of sale for the North Bergen apartment, executed on or about November 18, 2005, indicated a sale price of \$390,000 — \$40,000 over Carabello's asking price in the circulated flier. Moreover, the contract did not require any down payment from Victor Boissiere to be held in escrow by Carabello's attorney. The contract also included a closing date of December 31, 2005, while the actual closing took place on August 1, 2006, over seven months later. And, on May 25, 2006, Carabello and Victor Boissiere executed an addendum to the contract of sale in which they agreed to reduce the purchase price from \$390,000 to \$330,000.

As noted above, the evidence that led the Inspector General to Carabello was a \$15,000 cashier's check from Carabello to Victor Boissiere dated July 24, 2006, which Victor Boissiere deposited into his personal bank account. During his initial interview, Carabello explained that this money represented a loan to Victor Boissiere for a real estate transaction and that he had lent him an additional \$50,000 using a cashier's check drafted to Victor Boissiere's sister, Sabrina Boissiere. Indeed, further investigation revealed that Carabello had given Sabrina Boissiere a \$50,000 cashier's check dated June 17, 2006, and that, two days later on June 19, 2006, Sabrina Boissiere obtained a \$50,000 cashier's check from her bank which Victor Boissiere deposited into his personal bank

account. Carabello related to the Inspector General that he had sold his New Jersey condominium to Victor Boissiere, but, that prior to the closing, Victor Boissiere had a cash shortfall and, therefore, Carabello lent him \$65,000 for the down payment, or 20% of the reduced price of \$330,000. Carabello explained that he had withdrawn the money from his children's college fund and lent it to Victor Boissiere interest-free. When questioned as to why he would provide the down payment for his own condominium, Carabello advised that he was anxious to sell because he and his fiancé had purchased a home together.

The Inspector General then queried Carabello about his method of drafting a check first to Sabrina Boissiere for \$50,000 and then one to Victor Boissiere a few weeks later for \$15,000. Carabello asserted that, at the direction of Victor Boissiere's accountant whose name he could not recall, he issued two separate checks to avoid tax liabilities under the federal gift tax laws. Carabello said that, according to Victor Boissiere's accountant, as long as the funds were below a certain amount, no tax issue would be implicated.

The Inspector General interviewed Victor Boissiere's accountant, Richard Raymond, about, among other things, his involvement in the real estate transaction between Victor Boissiere and Carabello. Raymond's testimony lends scant support to Carabello's assertions about the real estate transaction in question. Raymond testified that he was not involved in the transaction between Carabello and Victor Boissiere and had no knowledge as to the amount Victor Boissiere put for down payment on the property or the source of the down payment. Raymond further averred that he and Victor Boissiere never had a conversation about federal gift tax laws. Logic supports Raymond's denials that no conversation about federal gift tax laws ever occurred because the gift tax limit affects the giver of the money, not the receiver. Therefore, the only party facing possible tax implications would have been Carabello. Furthermore, in 2005, the gift tax exclusion amount was \$12,000. Since both payments of \$50,000 to Sabrina Boissiere and \$15,000 to Victor Boissiere exceed that amount, even allowing for any confusion as to who would pay the taxes, the rationalization is unavailing.

All of these illicit transfers of funds for the purpose of evading detection culminated in a false declaration by Victor Boissiere on his mortgage application, for which Carabello was, at least tangentially, complicit. Specifically, on August 1, 2006, the date of the closing, Victor Boissiere completed a Uniform Residential Loan Application (the timing of which is yet another anomalous event in this real estate transaction), and, in response to the question "Is any part of the down payment borrowed?" Victor Boissiere checked the box indicating "No." The Inspector General has referred this matter to the Federal Bureau of Investigation for an investigation into possible mortgage fraud on Victor Boissiere's part for providing false information on the mortgage application concerning the source of funds for the down payment and the extent to which Carabello participated in that material misstatement.

It is important to note that, as part of the instant investigation, the Inspector General discovered that on or about December 28, 2005, Victor Boissiere had refinanced

his Bronx property for \$337,500 and received approximately \$78,000 cash from the transaction. Indeed, when queried about his knowledge as to the source of Victor Boissiere's down payment, Raymond stated that he assumed Victor Boissiere used the money obtained from refinancing the Bronx property. Raymond further reported that, in fact, Victor Boissiere had contacted him in late 2005 to refinance his Bronx property for exactly this purpose. That the refinancing took place so close in time to the original closing date further substantiates Raymond's testimony. It is unclear why the closing did not proceed closer to the original closing date or why Victor Boissiere did not use these monies toward the down payment and chose instead to borrow the money from Carabello.

Carabello testified to the Inspector General that Victor Boissiere has never repaid any part of the loan.⁸ Indeed, Carabello sent Victor Boissiere numerous e-mails requesting the repayment of the loan. Apparently, as part of the inducement for Carabello to loan him the money, Victor Boissiere told Carabello that would be able to repay the loan because he planned to sell his Bronx residence and had some accounts that would be maturing. In one such e-mail on October 24, 2006, Carabello wrote to Victor Boissiere, in pertinent part:

How is the sale of the [Bronx property] progressing? The objective is to Boissiere matters is a huge [sic] distraction from my focusing on the bigger picture, namely the 2007 political season, and getting you and Sabrina set up for the future. With that being said. [sic] My first order of priority is to recoup the \$65,000 asap that I advanced you defray the closing costs. This money came out of my children's college fund.

Please advise when the three or four HSBC money market accounts mature. I raise this question because the monies in these accounts plus the \$30,000 you will be receiving in November should all be applied toward paying off the \$65,000 that I advanced you for closing costs.

Notably, he continued to use the promise of advancement for Victor Boissiere and Sabrina Boissiere as leverage for repayment of the loan.

A few months later, on March 27, 2007, Carabello again wrote to Victor Boissiere requesting repayment of the loan and mentioning his efforts to promote Victor Boissiere:

I know that you are multi-tasking, have a lot of balls in the air, and many thorny issues on your plate. Trust me things are beginning to look up for you, please give me a call sometime on Monday so that we can discuss where things are in the pipeline – e.g., closing date for the sale of the

⁸ The Inspector General confronted Carabello with a cashier's check from Victor to him dated August 17, 2006, in the amount of \$8,792.22. Carabello claimed initially that the check had nothing to do with Victor. After being confronted with the fact that the check was from Victor, Carabello asserted that the check was for some furniture left in the North Bergen condominium which he had sold to Victor. That assertion notwithstanding, the specificity of the amount raises questions as to the veracity of Carabello's statement.

[Bronx] property; date when the mutual funds mature, recouping the \$65,000 I loaned you that was borrowed out of my children's college trust fund, etc. I also want to bring you up to speed on how things are progressing in Albany. All is not lost. However, it will take a little more effective [sic] to achieve the objective. I will be exploring the feasibility of having you in dual employment status as well as in the stand-by/on-call program with EK behind the scenes while I am flushing [sic] out details on my own career development and advancement.

Approximately two weeks later, Victor Boissiere wrote to Carabello complaining, among other things, about problems he was encountering with the North Bergen condominium. The Inspector General determined that Victor Boissiere made only one mortgage payment, resulting in foreclosure in April 2008.⁹ Prior to the foreclosure, an e-mail from Victor Boissiere to Carabello indicates he was considering selling the condo:

I contacted 3 realtors from the North Bergen area about what my options are (time and appropriate asking price) for the condo. My thinking being that I can use the sale of the condo to put whatever business is left after the [Bronx property] sale behind us. They all basically said the same thing; that it's not the best time to put a place on the market. They also spoke about a number of things that are in needed to get the place in proper position to be sold (installing working appliances, remove and change the carpet or repair the floors, stuff like that). With all that being said, the list price of equivalents after the upgrades is 290k. That's not just North Bergen, but also including the surrounding towns towards the bridge. I then called my lawyer for help figuring that he would have someone that would give me a more positive outlook. No such luck, more of the same. I sat with the lawyer and his realtor and went over all the transactions (thru realtors and public) in the complex going back 4 years. We did the same for all condo transactions in the area. Nothing was anywhere near what I was looking for. Our on paper transaction was the highest by I think 20k. My lawyer and the realtor both inquired about this decision. . . .It's taken me until today to get past the fact that the picture you painted for me about the value the physical value of things was nowhere near what they were. All the above being said, we are where we are. I made an agreement with you and it will be met.

Carabello responded:

I think the world of you and Sabrina. I have always and will continue to be here for you as a friend and mentor. Have you thought about renting out the condo? There may be yuppies from NYC that may be interested in renting it? You could talk to local realtors about this option until such

⁹ Although the bank foreclosed on the North Bergen condominium, with the exception of the few mortgage payments that he made initially, Victor did not lose any money due to the foreclosure because it was Carabello who supplied the money for the down payment.

time that the real estate market picks up again. I am also working through Ed Killeen to get you upgraded at BPC. I, too, will also upgrade you when I get to Albany. Things are in the pipeline. Please give me a call. We should plan to meet to discuss this matter further. I am certain that we can work this out between us. You should know that [my fiancé] even suggested to have you stay with us until you decide what to do in the future.

Then, on June 9, 2007, Carabello appears to have lost patience and drafts a threatening e-mail entitled, "Warning not to Play with Fire":¹⁰

I don't know what the hell is going on with you. It is taking more time that I anticipated to upgrade you and your sister because of what some folks in CO did in an attempt to cut my legs from beneath me. This matter is being addressed by the Chair of the Assembly Committee on Mental Health. . . .

Make no bones. This is no excuse for you being totally irresponsible and jerking me around. . . . My calls to you are not social ones. I don't have time for small talk. I have a lot of balls in the air. I don't have time for games. These calls are strictly related to our unfinished house business. My patience is running out. I trust that you understand you're playing with fire.

Please do not take me for granted or underestimate me. This would be a serious miscalculation on your part. Don't make me your enemy. I have specifically told you that the \$65,000 fronted to you for the closing came out of my kid's college fund. We discussed the monies from the mutual funds being turned over to me upon maturity in March and April. You have dropped the ball. Where are you with the sale of the [Bronx] property? I also told you that I wanted to attend the closing in order to pick up the check for outstanding monies owed. Don't force my hand or me to take negative actions that will have an adverse impact on you.

I would like to maintain our friendship but you're making it awfully difficult to do so. The ball is in your courtyard. Your actions or inactions will determine what course of action to take. I trust you'll make the right decision for yourself and family.

The Inspector General determined that Victor Boissiere did indeed sell his Bronx property on May 17, 2007, three weeks prior to this threatening e-mail, but clearly neglected to inform Carabello.

Throughout Carabello's e-mail exchanges with Victor Boissiere, as noted above, they both clearly consider the transfer of funds a loan. Furthermore, the Inspector

¹⁰ Carabello sent this e-mail from his personal e-mail account to Victor's OMH e-mail account.

General interviewed Carabello twice regarding, among other things, his real estate transaction with Victor Boissiere, during which Carabello consistently called the money he gave to Victor Boissiere a “loan” or “bridge loan” but said the accountant considered it a “gift.” Nonetheless, shortly after the second interview, on September 29, 2009, Carabello sent an e-mail letter to the Inspector General and, for the first time, mentioned the existence of “gift letters”:

As you are aware, I had used the term “gift” and “bridge loan” interchangeably on several occasions and in the follow-up correspondence to your office. This was a FSBO [For Sale By Owner] real estate transaction. I was totally uniformed and incorrect in my assumption that the buyer defaulted on repayment as the monies advanced to him and his sister for the purchase of the townhouse condo are legally classified as gifts, not loans, by law, and therefore were not recoupable in hindsight. The mortgage company or Mr. Raymond or, both should have gift letters on file. Unfortunately, I cannot find my copies of the gift letters. I never received any payment toward the gift given to the buyer for the purchase of the townhouse condo.

As previously stated, Raymond denied even having any conversation with Carabello about splitting the transfers of funds for gift tax purposes, and, not surprisingly, when interviewed by the Inspector General, Raymond denied the existence of any “gift letters.” Whatever Carabello considers the loan in hindsight, evidence abounds that, at all times, Carabello and Victor Boissiere considered the transfer of funds a loan. Furthermore, Carabello’s reference to these putative gift letters appears to be an after-the-fact contrivance by Carabello and yet another misstatement to the Inspector General.

Falsification of State Financial Disclosure Statement

Public Officer’s Law § 73-a requires, in pertinent part, employees of “state agencies who receive annual compensation in excess of the filing rate”¹¹ or “who hold policy-making positions,” to file an annual statement of financial disclosure with the Commission on Public Integrity (COPI).

Based upon his position as an Assistant Director at OMH, Carabello was required to file an Annual Statement of Financial Disclosure. Question number 18 of the Financial Disclosure Statement, requires the individual to list “all notes and accounts receivable, other than goods or services sold, held by the reporting individual at the close of the taxable year last occurring prior to the date of filing, in excess of \$1,000, and including the name of the debtor, type of obligation...” On his 2006 and 2007 disclosure forms, Carabello checked, the “NONE” box as his answer to the question. Since, as revealed above, Carabello loaned \$65,000 to Victor Boissiere for the down payment for the condominium, he should have included the \$65,000 in his disclosure statement.

The Inspector General referred this matter to COPI for its review.

¹¹ The filing rate during 2007 and 2008 was equivalent to state Salary Grade 24.

Improper Use of OMH E-mail for Political Gain

As noted above, a state official may not “use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.” The Inspector General determined that Carabello improperly used his position at OMH via his OMH e-mail account to garner political influence in order to attempt to obtain positions in state government. What follows is a representative sample culled from numerous e-mails. For instance, on April 20, 2009, he drafted an e-mail to Elenore Hunter, a fellow OMH employee, requesting her assistance:

Top of the Day to you, young lady! I’m hoping that Rudy decides to run for Governor next year. I presume that you still maintain good ties and have a personal relationship with someone that is very close to Rudy. If this is so, then I would like to lay the foundation and begin the political networking process when Rudy officially announces his intent to run for Governor. I would like to join his Cabinet. *I’m counting on your assistance to get this accomplished.* [Emphasis added]

This e-mail is of particular concern because, although not her direct supervisor, as Deputy Director for Administration, Carabello is superior to Hunter in the OMH hierarchy and his request for “assistance” could readily be perceived as a mandate. Indeed, given Carabello’s penchant for promising favors via his official position, this concern is particularly acute.

Carabello continued his political pursuits by courting State Senator Pedro Espada, Jr. In a July 10, 2009 letter to Senator Espada sent from his OMH e-mail, Carabello wrote:

It is my sincere hope that serving as Majority Leader of the Senate you would be in a position to open up doors of opportunity for qualified Latinos/Hispanics. I am interested in being matched to one of the following posts, or where you think I may be of the most value to your office and do the greatest good for the Latino/Hispanic community.

- Deputy Director of State Operations
- Assistant Deputy Secretary of Health & Human Services
- Executive Deputy Commissioner

I look forward to partnering with you now and in the foreseeable future. Thank you kindly for sharing your wisdom and insight, as well as your support, friendship and sponsorship.

Carabello signed this letter by including his OMH official title. The Inspector General is unaware of the status of Carabello’s application with the state Senate. However, after conducting a sworn interview of Carabello, a member of the Inspector General’s office contacted Carabello to inquire if he had informed the state Senate about

the instant investigation. The Inspector General then uncovered the following e-mail from Carabello to another individual:

Fyi . . . I will apprise both the secretary of the senate and majority leader of the ig investigation of the real estate transaction . . . a private real estate transaction is none of the state's business . . . what victor and his sister have been indicted and arrested for is the state's business but has nothing to do with me

Carabello's opinion notwithstanding, this report substantiates that Carabello used his official position and purported ability to affect hiring decisions as leverage in his "private real estate transaction"; this commingling of public and private interests and abuse of authority is very much the business of the state and the province of the Inspector General.

FINDINGS AND RECOMMENDATIONS

The Inspector General determined that Office of Mental Health (OMH) employee, Rockland Psychiatric Center Deputy Director for Administration David Carabello, violated the state Public Officers law and OMH policies regarding outside activities and ethical behavior and misused his state computer and e-mail to further his personal business interests and personal agenda. Carabello made improper promises of advancement for Victor Boissiere and Sabrina Boissiere as a quid pro quo for the purchase of his North Bergen condominium and later, the repayment of the loan for that condominium. The Inspector General further found that the loan for the down payment involved illicit transfers of funds through a third party for the purpose of evading detection culminating in a false declaration by Victor Boissiere on his mortgage application, for which Carabello was, at least tangentially, complicit. The Inspector General has referred this matter to the Federal Bureau of Investigation for an investigation into possible mortgage fraud on Victor Boissiere's part for providing false information on the mortgage application concerning the source of funds for the down payment and the extent to which Carabello participated in that material misstatement.

In addition to his possible involvement in a mortgage fraud scheme, Carabello failed to disclose on his annual Financial Disclosure Statements for the years 2006 and 2007 his \$65,000 loan to Victor Boissiere for the down payment for the condominium. The Inspector General referred this matter to COPI for its review.

The Inspector General also uncovered Carabello's ill-advised attempt to garner support for a position with the New York State Senate using his OMH position and e-mail account. The Inspector General referred these matters to OMH for appropriate action.

Response of the Office of Mental Health

In response to the Inspector General's findings, Office of Mental Health Commissioner Michael F. Hogan advised that Carabello was terminated from his position effective February 9, 2010.