



NEWS RELEASE

From New York State Inspector General
Catherine Leahy Scott

FOR IMMEDIATE RELEASE: April 7, 2017
Contact [John Milgrim](#): 518-474-1010

A FORMER TOP CUNY FINANCE OFFICIAL CHARGED WITH EMBEZZLING TENS OF THOUSANDS OF DOLLARS FROM UNIVERSITY BY CREATING BOGUS BANK ACCOUNTS

*Arrest on federal charges highlights issues at the center of Inspector General
Leahy Scott's ongoing investigation into the City University system*

NEW YORK CITY – New York State Inspector General Catherine Leahy Scott and Joon H. Kim, the Acting United States Attorney for the Southern District of New York, announced today the arrest of a former top administrator at City University of New York School of Professional Services (“CUNY-SPS”) on charges he embezzled tens of thousands of dollars school funds.

Carmine Marino, 43, of Los Angeles, California, is charged with one count of embezzlement and misappropriation from a program receiving federal funds, which carries a maximum penalty of 10 years in prison, and two counts of bank fraud, which each carry a maximum penalty of 30 years in prison.

“This arrest involving federal fraud and embezzlement charges against a former top university official underscores CUNY’s lack of supervision and appropriate controls, which unfortunately has been a consistent theme in my investigation of the CUNY system,” said **Inspector General Catherine Leahy Scott**. “The CUNY schools and affiliated foundations are entrusted with close to \$1 billion meant for the benefit of the school’s educational mission and its students, and I will continue to work with current CUNY leadership and use all of the resources of my office to restore the trust among the student and taxpayers at large and to protect the integrity of the institution.”

Acting U.S. Attorney Joon H. Kim said: “As alleged, the former budget and finance director at CUNY SPS abused his position of trust, taking money that belonged to New York City college students for his own benefit. I want to thank our partners at the New York State Inspector General and Department of Education Office of Inspector General for their work to root out corruption at federally assisted New York schools.”

Marino worked at City CUNY-SPS from 2007 through 2012, where he served as both Manager of Fiscal Operations and subsequently as that school’s Director of Fiscal and Business Operations. In both roles, he had responsibility over the school’s bank accounts. In May 2012, he was transferred to a position at CUNY City College’s Office of the Vice President of Finance and Administration.

The Inspector General’s investigation determined that from 2007-2012, Marino used his power over CUNY SPS’s finances as Manager of Fiscal Operations and subsequently as that school’s Director of Fiscal and Business Operations to set up unauthorized bank accounts in CUNY SPS’s name, and to fund those accounts with money from CUNY SPS’s tuition account, among others. Marino then used those unauthorized accounts,

which only he knew about, to embezzle tens of thousands of dollars for his personal use. Marino was placed on administrative leave and ultimately resigned from CUNY in May 2013.

The charges against Marino come in the midst of Inspector General Leahy Scott's ongoing investigation into the CUNY system's oversight and administrative functioning. Late last year, the Inspector General issued an interim [report](#) of her preliminary investigation that found a number of systemic concerns largely attributable to CUNY's administration's lack of oversight that have led to financial waste and abuse within the CUNY system. The investigation also found the administration failed to institute effective centralized management policies. The impact of these deficiencies is exacerbated by the failure to effectively operate the CUNY system for the benefit of taxpayers and students by those charged with CUNY's daily operations, including but not limited to the Chancellor and General Counsel, among others.

Inspector General Leahy Scott undertook this investigation upon the request of CUNY Board of Trustees' Chairman William C. Thompson, Jr., and issued the interim report to highlight areas of immediate concern to enable CUNY's Board to take expeditious remedial actions in consultation with the Inspector General.

Findings from the preliminary investigation included questionable spending and lack of controls to protect the integrity of discretionary funds, including non-transparent practices of inflating campus presidents' compensation. The preliminary investigation also found a failure by CUNY to report misconduct to the Inspector General as required by law, instead engaging in the wasteful expenditure of funds on costly internal investigations.

Inspector General Leahy Scott thanks Acting United States Attorney Kim for prosecuting the case, and the U.S. Department of Education Office of the Inspector General and the Office of the New York State Comptroller for their assistance with the investigation.

The defendant is presumed innocent until and unless proven guilty in a court of law.

###