



# The New York State Stimulus Oversight Panel

**Joseph Fisch, Chair**  
NYS Inspector General

**Galen Kirkland**  
Human Rights Commissioner

**Barry Kluger**  
MTA Inspector General

**James Sheehan**  
Medicaid Inspector General

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## NEWS

Contact: Kate Gurnett  
(518) 474-1010  
[kate.gurnett@ig.state.ny.us](mailto:kate.gurnett@ig.state.ny.us)

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### **Stimulus Oversight Panel Nixes \$7 Million ARRA Contract** *Details in Third Quarter Report*

New York's Stimulus Oversight Panel uncovered improper bidding practices on two American Recovery and Reinvestment Act of 2009 (ARRA) projects, prompting the cancellation of a \$7 million weatherization contract in Brooklyn and the referral of a Sullivan County community action group to the Attorney General, according to the panels' third Quarterly Report released today.

Inspector General Joseph Fisch, who chairs the Stimulus Oversight Panel, determined that vendors who bid on a \$7 million weatherization contract to replace 16,900 windows at the Lindsay Park Housing complex in Brooklyn in May were unfairly scored, improperly evaluated and unjustly disqualified. The process was so flawed that a potential low bidder was removed due to evaluator error by the Community Environmental Center of Brooklyn, which administered the contract for the state Division of Housing and Community Renewal (DHCR). The project, part of an overall \$13 million ARRA weatherization grant at the seven-building complex, had drawn 10 vendors and five complaints. As a result of the investigation, DHCR invalidated the bid award and will re-bid the project.

A separate investigation by the Inspector General's Office, as part of the Stimulus Oversight Panel, found serious bid irregularities by the Community Action Commission to Help the Economy, Inc. (CACHE), a community action group in Liberty, Sullivan County. According to the report, CACHE's Weatherization Director Jimmy Crawley steered bids in four contract awards worth \$13,775 to EVS Burner Services of Monticello for home heating installation. CACHE is slated to receive up to \$1.6 million in ARRA funds. EVS owner Harry Dennis III testified that after submitting bids, he received calls from Crawley advising him to "check his math," which he interpreted as a signal to lower his bid. Dennis was later awarded the contracts.

The Inspector General also discovered that CACHE failed to comply with federal prevailing wage requirements by paying certain employees less than the established wage rate on ARRA-funded weatherization projects.

The Inspector General forwarded the CACHE report to Attorney General Andrew Cuomo for consideration of criminal charges and to the U.S. Department of Labor for its review.

"Today's report shows the considerable resources we've dedicated to making sure that New York's ARRA funds are spent properly and free of fraud or favoritism," said First Deputy Inspector General Kelly Donovan, who chairs the Stimulus Panel's working group. "The panel will continue its vigilant presence on ARRA-funded projects from construction job sites to not-for-profits as we carry out our responsibilities to the taxpayers."

Both cases are detailed in the Stimulus Oversight Panel's third Quarterly Report. Along with Inspector General Joseph Fisch, panel members are: state Division of Human Rights Commissioner Galen Kirkland, Metropolitan Transportation Authority (MTA) Inspector General Barry Kluger and state Medicaid Inspector General James Sheehan.

Governor David A. Paterson created the Stimulus Oversight Panel in July 2009 to prevent and detect any waste, fraud, abuse, discrimination and mismanagement related to the use of American Recovery and Reinvestment Act (ARRA) funds in New York. The Panel examines the use of these funds by state and local government and private entities.

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