

## The Fraud Examiner Newsletter

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### Collaborative Effort Takes Aim at Fraud in Lower Manhattan

By Scott Patterson

The coordination of numerous urban construction projects would be a daunting task in any location. Imagine dealing with nearly 60 in the heart of Lower Manhattan, and being tasked with inspecting them for fraud. All of the activity is taking place in just one square mile, including the World Trade Center site, and will transform the area in just a few years. The collection of projects, as a whole, represent more than \$20 billion in construction work.

The Lower Manhattan Construction Command Center (LMCCC) was created in 2004 to oversee and coordinate this combination of projects, while helping to mitigate their logistical impact on the city. As part of this effort, having a cohesive anti-fraud program in place is a priority. The LMCCC's Fraud Prevention Department works with inspector generals of city, state and federal agencies which oversee construction work on projects downtown.

Ron Calvosa, an ACFE member, serves as the Fraud Prevention Director for the LMCCC. Calvosa said that upon becoming the director in July of 2005, he set about researching best practices, white papers, and fraud prevention methods to help create a program for the LMCCC. One of the first things he did was align his efforts with a collaborative group called The Lower Manhattan Construction Integrity Team (LMCIT), with representation from 11 agencies, to prevent and eliminate fraud.



Ron Calvosa testifies at a House Subcommittee on Homeland Security meeting in 2006.

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Current construction at the World Trade Center site in Lower Manhattan

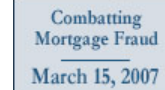
"The LMCIT was already in existence," Calvosa said, "as a collaboration of local, state and federal agencies working together in a cohesive effort to detect and prevent problems."

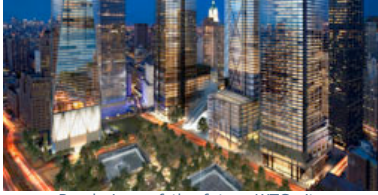
The result of their planning and coordination was a fraud prevention program that includes the vetting of contractors, use of integrity monitors, employee background screening, a fraud prevention hotline, fraud awareness training and fraud prevention posters placed at worksites.



The posters, geared toward workers and New Yorkers in general, are some of the more visible reminders of the effort to prevent fraud at the site.

"This is high-profile construction, and everyone is interested in it," Calvosa said. "It's important that the work proceed with integrity -- and workers or members of the public might not necessarily know what agency or organization to call if they detect something fraudulent. The hotline provides an outlet for their concerns, and it also helps to create an atmosphere of openness."





Renderings of the future WTC site

Callers are able to provide anonymous tips, and the department also provides the option of making a report online.

In 2006, Calvosa was called to testify before a House Subcommittee on Homeland Security, during which he outlined the fraud prevention plan and the accomplishments made during the year. These accomplishments include:

- Vetting of contractors amongst LMCIT members. In 2006, 86 name check requests were processed and a total of 1557 names have been checked.
- Assisted in the development of a fraud prevention training module for prohibited conduct for presentation to contractors and consultants' supervisory and managerial employees. In 2006, 15 training sessions were conducted and 216 individuals received the training.
- Assisted in the development and implementation of a protocol to conduct background checks on contractor employees at the World Trade Center site.

As a result, the committee recognized the fraud prevention measures of the LMCCC and LMCIT as "best practices."

Now, Calvosa and the LMCCC Fraud Prevention Department are working to make the program even better. Initiatives for 2007 include:

- Increase advertising for the Hotline.
- Ensure that all agencies, through the appropriate IG office, are vetting all entities working on Lower Manhattan construction jobs.
- Hold additional Fraud Prevention training sessions.
- Evaluate the success of the Contractor Employee Background Screening/Access Control program and expand it.

For more information about the LMCCC and the Fraud Prevention Department, log on to [www.LowerManhattan.com](http://www.LowerManhattan.com)

Members of the Lower Manhattan Construction Integrity Team (LMCIT):

- Lower Manhattan Construction Command Center - Fraud Prevention Director
- Lower Manhattan Development Corporation - Investigations Unit
- Office of the Inspector General - Port Authority of New York & New Jersey
- New York City Department of Investigation
- Office of the Inspector General - New York State
- Office of the Inspector General - Metropolitan Transportation Authority
- Office of the Inspector General - United States Department of Transportation
- Office of the Inspector General - United States Department of Housing and Urban Development
- Office of the Inspector General - United States Department of Labor
- New York City Business Integrity Commission
- Metropolitan Transportation Authority Office of the Chief Compliance Officer