



Department of Justice

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FOR IMMEDIATE RELEASE
FEBRUARY 17, 2009

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THIRD FORMER NYC DEPARTMENT OF EDUCATION BUS INSPECTOR PLEADS GUILTY TO EXTORTION AND BRIBERY CHARGES

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that a former employee of the New York City Department of Education ("DOE"), GEORGE ORTIZ, pleaded guilty today to extortion and bribery charges. According to the Indictment to which ORTIZ pleaded guilty, other documents filed in the case, and statements made during the guilty plea proceeding before United States District Judge BARBARA S. JONES in Manhattan federal court:

ORTIZ, 64, of Bronx, New York, worked as a supervisor in the DOE Office of Pupil Transportation ("OPT"). OPT sets the specifications for bus routes; oversees the process by which private bus companies bid for and obtain certain bus routes; processes requests from bus companies to have certain routes classified as "extended" (and hence more costly) because they begin earlier or run later than standard DOE bus times; and conducts safety and mechanical inspections of school buses.

ORTIZ and fellow supervisors NEIL CREMIN and IRA SOKOL were specifically assigned to the OPT division responsible for providing bus and other transportation services to special education students.

From at least the mid-1990s until 2007, ORTIZ and his co-defendants solicited and accepted cash payments from various private bus company owners who held transportation contracts with DOE. In some instances, the defendants used their official positions within DOE to collect payments from bus company owners in exchange for various benefits relating to OPT business. For example, the defendants took cash payments from bus company owners to falsely classify certain bus routes as "extended" routes, and in connection with the allocation of certain DOE bus routes to those companies. The defendants also collected payments in exchange for favorable treatment relating to school bus safety violations uncovered during inspections, and providing advance notice of safety inspections that were supposed to be unannounced. In some instances, the defendants knew that the bus company owners were making payments in the belief that they would receive improper benefits in exchange, but the defendants could not in fact deliver those benefits. In other instances, the payments were not connected to any particular benefit, but were intended to secure the goodwill of the defendants. The defendants and other OPT employees collected cash payments from several hundred dollars per year from certain bus company owners, to tens of thousands of dollars per year from other bus company owners.

At his plea hearing, ORTIZ admitted that he had received bribes in exchange for various improper, official benefits, including overlooking violations during safety and mechanical inspections of school buses.

ORTIZ pleaded guilty to one count of conspiring to use his official position at DOE to extort bus company owners; one count of using his official position at DOE to extort bus company owners; one count of conspiring to receive bribes to influence his actions as an employee of an agency, the DOE, that received federal program funding; and one count of receive bribes to influence his actions as an employee of an agency, the DOE, that received federal program funding. ORTIZ faces a maximum sentence of 55 years on those charges.

ORTIZ is the third DOE supervisor or inspector to plead guilty in this case. On February 6, 2009, CREMIN, 61, of Queens, New York, and SOKOL, 70, of Brooklyn, New York, pleaded guilty to bribery charges. CREMIN is scheduled to be sentenced by Judge JONES on May 6, 2009, and SOKOL is scheduled to be sentenced by Judge JONES on May 7, 2009.

OPT employee MILTON SMITH, 56, of Tobyhanna, Pennsylvania, has related charges pending concerning solicitation and extortion of bribes. SMITH is scheduled to commence trial on February 23, 2009, before Judge JONES. The charges contained in the Indictment as to SMITH are merely accusations, and he is presumed innocent unless and until proven guilty.

Mr. DASSIN praised the work of the Federal Bureau of Investigation, the U.S. Department of Labor's Office of Inspector General and Office of Labor-Management Standards, and the New York Police Department, as well as the Special Commissioner of Investigation for the New York City School District.

Assistant United States Attorneys ELIE HONIG and KENNETH POLITE are in charge of the prosecution.

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