



*United States Attorney  
Southern District of New York*

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**FORMER NYC DEPARTMENT OF EDUCATION INSPECTOR SENTENCED  
IN MANHATTAN FEDERAL COURT TO 15 MONTHS IN PRISON FOR  
EXTORTION AND BRIBERY**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that former New York City Department of Education ("DOE") inspector MILTON SMITH was sentenced today to 15 months in prison. SMITH was found guilty following a one-week jury trial before United States District Judge BARBARA S. JONES on February 27, 2009, of conspiracy to commit extortion, conspiracy to commit bribery, and bribery.

According to the Indictment and the evidence at trial:

SMITH worked as an inspector 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 subject to larger contract payments) because they begin earlier or run later than standard DOE bus times, including mid-day and field trip routes; and conducts safety and mechanical inspections of school buses. SMITH was specifically assigned to the OPT division responsible for providing bus and other transportation services to special education students.

From approximately 2000 to 2004, SMITH solicited and accepted tens of thousands of dollars in cash payments from various private bus company owners who held transportation contracts with DOE. In exchange, SMITH funneled field trip bus routes -- worth hundreds of thousands of dollars -- to certain bus companies. At times, SMITH fabricated certain bus routes that were neither needed by DOE nor performed by the bus companies, and assigned those trips to the bus companies who paid him. SMITH also took payments in exchange for overlooking certain safety and mechanical violations in connection with routine DOE bus inspections.

SMITH, 56, of Tobyhanna, Pennsylvania, was found guilty of all charges against him: 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 receiving bribes to influence his actions as an employee of the DOE that receives federal program funding.

In addition to the prison term, Judge JONES sentenced SMITH to three years of supervised release and ordered him to pay restitution in the amount of \$21,500.

SMITH is the seventh and final defendant who is a current or former DOE supervisor or inspector to plead or be found guilty in this case. On February 17, 2009, GEORGE ORTIZ, 64, of Bronx, New York, pleaded guilty to extortion and bribery charges and was sentenced to 30 months in prison. On February 6, 2009, NEIL CREMIN, 61, of Queens, New York, and IRA SOKOL, 70, of Brooklyn, New York, pleaded guilty to bribery charges. CREMIN was sentenced to four months in prison and SOKOL was sentenced to three years probation. On April 8, 2008, JEFFREY DUNAT, 53, of Staten Island, New York, pleaded guilty to extortion and bribery charges. On April 23, 2008, DORON WINKLER, 58, of Pomona, New York, pleaded guilty to extortion and bribery charges. On April 25, 2008, GEOFFREY BERGER, 58, of the Bronx, New York, pleaded guilty to extortion and bribery charges. DUNAT, WINKLER, and BERGER have not yet been sentenced.

Mr. BHARARA 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, the New York City Police Department, and the Special Commissioner of Investigation for the New York City School District.

This case is being prosecuted by the Office's Organized Crime Unit. Assistant United States Attorneys ELIE HONIG and KENNETH POLITE are in charge of the prosecution.

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