



***United States Attorney
Southern District of New York***

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**FORMER EXECUTIVE DIRECTOR OF BRONX
COMMUNITY ORGANIZATION PLEADS GUILTY**

*Defendant Misapplied Federal Program Grants By Providing
Funds To An Organization That Paid Personal Expenses
Of A Former New York State Senator*

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), and RONALD J. VERROCHIO, the Inspector-in-Charge of the New York Office of the United States Postal Inspection Service ("USPIS"), announced that NEIL BERGER, the former Executive Director of Pathways for Youth, Inc. ("Pathways"), pleaded guilty today in Manhattan federal court to misapplying the non-profit's funds.

According to Count Five of the superseding Indictment, the charge to which BERGER pleaded guilty, as well as statements made during the plea proceeding before United States District Judge WILLIAM H. PAULEY III:

NEIL BERGER served as Executive Director of Pathways from October 1999 through May 2006. Pathways was a not-for-profit organization whose stated mission was, among other things, to "improve and further generally the welfare and happiness of young people," and, to those ends, "to receive donation[s], to receive,

manage, take, hold real and personal property by gift, grant, devise or bequest." During the period from approximately October 1999 through January 2005, EFRAIN GONZALEZ, JR., at the time a New York State Senator representing a district in the Bronx, directed that the New York State Legislature provide hundreds of thousands of dollars in "member items" funding to Pathways. During the same time, Pathways also received funding from numerous federal agencies.

West Bronx Neighborhood Association ("WBNA") was a not-for-profit corporation that, according to its by-laws, was organized, among other things, to foster community affairs. Pathways directed hundreds of thousands of dollars to WBNA during the relevant period. However, BERGER admitted that sometime in about May 2004, he received indications that WBNA was using the funds from Pathways to pay for, among other things, former State Senator GONZALEZ's personal expenses. Notwithstanding these indications, BERGER deliberately chose to avoid learning the truth and, instead, permitted WBNA to keep \$25,000 that it had improperly received from Pathways in May 2004, and caused Pathways to direct another \$25,000 to WBNA in July 2004.

BERGER, 57, of Teaneck, New Jersey, pleaded guilty to one count of federal program fraud. BERGER is scheduled to be sentenced on June 25, 2009, at 4 p.m. and faces up to 10 years in prison.

Co-defendants GONZALEZ, LUCIA SANCHEZ, and MIGUEL CASTANOS are scheduled to go to trial on May 4, 2009. As to these defendants, the charges and allegations contained in the superseding Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

Mr. DASSIN commended the investigative work of the New York City Department of Investigation and the United States Postal Inspection Service.

This case is being prosecuted by the Office's Public Corruption Unit. Assistant United States Attorneys MICHAEL LEVY and PABLO QUIÑONES are in charge of the prosecution.

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