



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
ELLEN DAVIS, JERIKA RICHARDSON
EDELI RIVERA, CARLY SULLIVAN
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**DOI
DIANE STRUZZI
(212) 825-5931**

**MANHATTAN U.S. ATTORNEY ANNOUNCES INTENTION TO FORFEIT
MORE THAN \$28 MILLION PREVIOUSLY SEIZED IN CONNECTION
WITH CITYTIME CRIMINAL PROSECUTIONS**

PREET BHARARA, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), announced today the filing of a bill of particulars in Manhattan Federal Court notifying the defendants of the Government's intent to forfeit more than \$28 million and eight properties in the CityTime case. On February 10, 2011, two consultants to the New York City Office of Payroll Administration ("OPA") -- MARK MAZER and DIMITRY ARONSHTEIN -- were indicted on bribery and other charges for their roles in a fraudulent scheme that led to the misappropriation of tens of millions of dollars in New York City funds allocated for an information technology project known as CityTime. A third consultant, VICTOR NATANZON, pled guilty on February 8, 2011, to charges related to the scheme. MAZER and ARONSHTEIN were also charged -- along with MARK MAZER's wife, SVETLANA MAZER, his mother, LARISA MEDZON, and his cousin, ANNA MAKOVETSKAYA -- with using a network of shell corporations to launder the proceeds of the scheme.

Manhattan U.S. ATTORNEY PREET BHARARA stated: "Mark Mazer and his cohorts in crime allegedly stole tens of millions of taxpayer dollars from the City of New York to support their lavish lifestyles. We are gratified that, working alongside our partners at DOI, we have seized a substantial sum of money that was looted from the City's treasury. Our asset forfeiture work on this important public corruption case remains very much ongoing."

DOI Commissioner ROSE GILL HEARN stated: "The determined and methodical work of DOI investigators traced and found these millions so they could be recouped for the taxpayers."

Investigators reviewed hundreds of thousands of records and plotted the flow of tainted money to the shell companies to identify this \$28 million. When fraudsters take City funds, arrest is only the first step. DOI works to ensure that the taxpayers are made whole and to send the message that public funds are not easy pickings. With our partners at the U.S. Attorney's Office for the Southern District of New York, we will continue to follow the facts and find the money in this charged criminal scheme."

Since the arrest of the defendants on December 15, 2010, a DOI investigative audit team tracked money associated with the CityTime defendants, resulting in law enforcement officers seizing or restraining more than \$28 million, in 88 different bank accounts and five safety deposit boxes at thirteen different financial institutions. The seizures were made pursuant to judicially authorized seizure warrants which were obtained in Manhattan Federal Court on the basis that the money constituted proceeds of the CityTime fraud and/or facilitated the laundering of the proceeds fraudulently obtained from the City. The bill of particulars also identifies eight properties owned by the defendants that are alleged to have been involved in the money laundering, bribery and/or fraud schemes.

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Mr. BHARARA praised the investigative work of DOI in this matter, and particularly DOI's ongoing efforts to locate and recover the money stolen from the City.

The prosecution is being handled by the Office's Public Corruption Unit, with the assistance of the Office's Asset Forfeiture Unit. Assistant U.S. Attorneys HOWARD S. MASTER, ANDREW GOLDSTEIN, and KAN NAWADAY are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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