



*United States Attorney
Southern District of New York*



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**TWO FORMER NEW YORK CITY EMPLOYEES PLEAD GUILTY
IN MANHATTAN FEDERAL COURT TO HONEST SERVICES FRAUD**

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, announced that LEONID GUTNIK and AURORA VILLAREAL, two former New York City employees, pled guilty yesterday to participating in a conspiracy to commit honest services fraud by receiving bribes in exchange for taking official action to benefit a ring of day care centers in Brooklyn, New York. GUTNIK pled guilty before U.S. Magistrate Judge THEODORE H. KATZ. VILLAREAL pled guilty before U.S. Magistrate Judge GABRIEL W. GORENSTEIN.

According to the Indictment to which GUTNIK and VILLAREAL pled guilty and statements made during the guilty plea proceedings:

GUTNIK is a former Job Opportunity Specialist/Child Care Specialist for the New York City Human Resources Administration. GUTNIK admitted that between 2008 and August 2010, he received bribes from at least one day care center owner in exchange for helping the day care center owner receive New York City day care subsidies for children who were not, in fact, receiving day care. As part of his plea agreement, GUTNIK admitted to receiving between \$70,000 and \$120,000 worth of bribes.

VILLAREAL is the former Borough Manager for Brooklyn and Staten Island Group Child Care Programs at the New York City Department of Health and Mental Hygiene. VILLAREAL admitted that between 2008 and August 2010, she received bribes from at least one day care center owner in exchange for helping the day care

center owner obtain permits, amended permits, and other benefits to which the day care center owner was not entitled. As part of her plea agreement, VILLAREAL admitted to receiving between \$70,000 and \$120,000 worth of bribes.

GUTNIK, 39, and VILLAREAL, 64, each face a statutory maximum of 20 years in prison. They will be sentenced by U.S. District Judge WILLIAM H. PAULEY III on a date to be determined.

Mr. BHARARA praised the investigative work of the New York City Department of Investigation.

This case is being handled by the Office's Public Corruption Unit. Assistant U.S. Attorneys MICHAEL BOSWORTH, BRENT WIBLE, and HARRIS FISCHMAN are in charge of the prosecution.

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