



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
SEPTEMBER 23, 2011

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

DOI
DIANE STRUZZI
(212) 825-5931

**TWO FORMER NEW YORK CITY EMPLOYEES SENTENCED
IN MANHATTAN FEDERAL COURT FOR PARTICIPATING IN BRIBERY
SCHEME INVOLVING CHILD DAY CARE CENTERS**

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 that LEONID GUTNIK and AURORA VILLAREAL, two former New York City employees, were sentenced to 40 months and in prison, respectively, for their roles in a bribery scheme involving a ring of day care centers. GUTNIK and VILLAREAL pled guilty in February 2011 to participating in a conspiracy to commit honest services fraud by receiving bribes in exchange for taking official action to benefit day care centers in Brooklyn, New York. GUTNIK and VILLAREAL were sentenced today by U.S. District Judge WILLIAM H. PAULEY III.

Manhattan U.S. Attorney PREET BHARARA said: "Leonid Gutnik and Aurora Villareal abused their positions as employees of New York City to help this corrupt ring of day care owners and City workers cut corners and reap millions in illegal benefits. Today's sentences are another step forward in righting this massive fraud perpetrated by the defendants and their co-conspirators."

DOI Commissioner ROSE GILL HEARN said: "These City employees were supposed to protect the interests of children, instead they ignored them for their own personal gain. Their scheme had a heavy price: felony conviction in federal court and a prison sentence -- a strong message that there is no tolerance for City employees who abuse their access, take bribes, and steal public funds. DOI worked with the U.S. Attorney's Office for the Southern District to expose and stop this massive fraud scheme."

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. He admitted to receiving bribes from at least one day care center owner between 2008 and August 2010, in exchange for helping the 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 receiving \$100,000 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. She admitted to receiving bribes from at least one day care center owner between 2008 and August 2010, in exchange for helping the 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 receiving \$100,000 worth of bribes.

* * *

In addition to their prison terms, Judge PAULEY sentenced GUTNIK, 40, of Brighton Beach, Brooklyn, and VILLAREAL, 65, of Glendale, New York, each to _____ years of supervised release. He also ordered forfeiture in the amount of \$100,000, and imposed a \$10,000 fine and a \$100 special assessment fee for each defendant.

Mr. BHARARA praised the investigative work of DOI.

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

11-290

###