



New York City Comptroller
John C. Liu

STATEMENT

PR11-05-048
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May 25, 2011
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**COMPTROLLER LIU’S REMARKS
FROM 4:30 NEWS CONFERENCE**

NEW YORK, NY – Below are remarks by New York City Comptroller John C. Liu at a news conference on Wednesday, May 25, 4:30 p.m. regarding the CityTime project:

“Earlier this afternoon, my office was provided with a letter written to the Executive Director of the Financial Information Services Agency (FISA) by Science Applications International Corporation (SAIC), the prime contractor on the CityTime project. We were informed that SAIC had terminated their senior project manager who led the CityTime project.

“The name of that employee is Gerard Denault.

“SAIC has determined that Mr. Denault violated SAIC’s policies and standards with respect to timekeeping practices while working on CityTime. He routinely billed hours to the CityTime project that he did not in fact work.

“By their own admission, this latest development now implicates, for the first time in this scandal, SAIC. The very company entrusted by our City to build a timekeeping system for NYC employees has grossly mismanaged their own time keeping, and in the process over charged the city for sums of money – still to be determined.

“SAIC now says they will now refund \$2,470,522 to the city coffers for the time Mr. Denault billed to hard working NYC taxpayers.

“A few moments ago I sent a letter to the Mayor because I believe we need to work together.

“I am asking him to join me in calling on the Department of Investigation along with all other relevant authorities to conduct a comprehensive review of other possible violations by SAIC, and I am proposing that the City withhold any future payments to SAIC pending the outcome of the investigations.

“This is a sad day for the New York City taxpayer.

“With the proposed budget cuts looming, we at least need to tightly manage expensive outside consultants.

“The public’s trust in government must be bolstered, and I am committed to working with the Mayor to do just that.”

Below is the full text of the letter sent to Mayor Bloomberg on May 25, 2011.

May 25, 2011

Honorable Michael R. Bloomberg
Mayor
City Hall
New York, NY 10007

Re: Science Application International Corporation (SAIC)

Dear Mayor Bloomberg:

Today, we were informed by SAIC that they have terminated their project manager for CityTime. SAIC cited the project manager’s violation of SAIC’s policies and standards, specifically with regard to his time billed to the City of New York. Because SAIC cannot accurately calculate the amount that should have been billed to the City, SAIC will reimburse the City for this individual’s billed services. This repayment amounts to \$2,470,522.

To date, the alleged fraud relating to CityTime has only involved subcontractors. This latest development now implicates the prime contractor and compels a comprehensive review of SAIC’s billings to the City, in particular, SAIC employees whose time was billed to the CityTime project.

I am directing my representative on the OPA board to introduce a resolution on the points below, and ask that your representative support the resolution:

- The Department of Investigation, along with all other relevant authorities, conduct a comprehensive review of other possible timekeeping violations; and
- The City withholds any outstanding payments to SAIC pending the outcome of the investigations.

I believe the above actions are necessary and as always, I am available to discuss any of these issues with you. Thank you.

Sincerely,

John C. Liu

View letter from SAIC to FISA: <http://www.comptroller.nyc.gov/press/pdfs/SAIC-FISA-5-2011.pdf>

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