



Barry L. Kluger
Inspector General

Office of the Inspector General
Metropolitan Transportation Authority
Two Penn Plaza, 5th Floor
New York, New York 10121
212-878-0000

May 29, 2018

Andrew Byford
President
MTA New York City Transit
2 Broadway, 30th Floor
New York, NY 10004

**Re: Unauthorized Dual Employment and
Failure to Cooperate by NYC
Transit CPM Employee
MTA/OIG #2018-35**

Dear Mr. Byford:

The Office of the MTA Inspector General (OIG) has concluded an investigation into the activities of Rene B. Adame Sr. (Adame), Associate Transit Management Analyst, New York City Transit (NYC Transit), Capital Program Management (CPM) which established that Adame engaged in unauthorized dual employment. We also found that Adame did not cooperate fully and honestly with OIG's investigation. We recommend that NYC Transit impose discipline on Adame, up to and including termination.

BACKGROUND

Adame was hired by NYC Transit in 1988 as a Technician Level I. He became an Associate Transit Management Analyst in 2014. His duties and responsibilities include: inspecting contractor work, reviewing shop drawings, coordinating and scheduling work, verifying work performed, monitoring changes in work scope and preparing daily reports. All of his assignments have been within NYC Transit CPM and he currently works in the Infrastructure/Facilities Division.

INVESTIGATION

In early 2017, as part of a proactive initiative, OIG investigators discovered that Adame was connected to a construction company called Adame Construction, Inc. (Adame Construction). According to the New York State Department of State, Division of Corporations website, Adame Construction has been registered as a domestic business corporation since November 24, 2008, with Ellen May Adame listed as the Chief Executive Officer and an address of 83-16 Charlecote Ridge, Jamaica Estates, New York. According to public databases, Adame Construction is a home renovation and improvement company. OIG investigators reviewed NYC Transit records

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which identify the Charlecote Ridge location as Adame's home address and Ellen May Adame as his daughter. The Charlecote Ridge location is a private home.

OIG staff reviewed social media postings for Adame Construction and found numerous photographs of Adame at different locations. OIG staff identified one of the locations as the Avenue T substation, a Maintenance of Way Infrastructure Roof Repair project involving multiple locations. Adame was assigned as a project inspector to that project. In one photograph Adame is pictured wearing a hardhat bearing the MTA logo. In addition, a posted video, labeled "2016 Christmas Party" showed Adame handing out gifts and envelopes to individuals who appeared to be Adame Construction employees.

Between June 1, 2017 and August 22, 2017, OIG investigators conducted several surveillances of Adame. On one occasion, the investigators followed Adame at the end of his tour as he left a NYC Transit project work site at the Prospect Park station located at Flatbush Avenue and Empire Boulevard in Brooklyn, and travelled to a private home, where he appeared to be examining the home's structure. This same home appears in photographs on Adame Construction's social media site showing the progress of renovation work.

On other occasions, OIG investigators observed approximately four to six individuals, dressed in construction work clothes, as they arrived at Adame's Charlecote Ridge residence in the morning, prior to Adame reporting to his NYC Transit job. OIG staff watched the individuals get into two pickup trucks while Adame directed the movements of the vehicles. According to New York State Department of Motor Vehicles records, the two pickup trucks were registered to Adame personally and no vehicles were registered to Adame Construction in the past or on the date of the surveillance.

On January 5, 2018, OIG staff interviewed Adame about his outside employment. He stated that Adame Construction performs bathroom work, roofing, dental office work, whole house renovation, masonry and cement work. Adame denied that he worked for Adame Construction and claimed it was his daughter's company. However, Adame did admit that the company operated from his home, that he used his personal credit card to buy company supplies, and that the company's vehicles were registered to him personally at his home address.

Adame admitted that he handles the company's social media page and uploaded photos of himself at the NYC Transit Avenue T job. He also acknowledged uploading the video of Adame Construction's 2016 Christmas party which showed him handing out gifts and envelopes to Adame Construction employees. Adame claimed that he did this activity to "protect" his daughter, whom he described as the President of Adame Construction. However, Adame could not articulate a reason why his daughter needed protection from company employees, most of whom he described as family members. He also acknowledged that his daughter only appears in one photo on the company's social media page, yet he appears in several. Notably, the Adame Construction social media page was removed shortly after Adame's interview.

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During his interview, Adame avoided using the word “work” in his statements, rather he described his actions using other words, for example, Adame stated he “helps” his daughter and he “guide[s],” “advise[s],” and “help[s]” the company. Adame consistently used the pronoun “we” whenever he referred to the company. He claimed that he did the things he described “out of love” and received no salary from the company. Adame denied being the owner or principal of the Adame Construction and claimed that his daughter did the payroll and signed all the checks. Adame also claimed that he did not sign any of the company checks. Adame admitted that he never requested NYC Transit’s approval to engage in outside employment. He stated that he thought about it, but decided on his own that he did not need permission.

OIG investigators reviewed Adame Construction’s bank records. The records revealed that Adame has been an authorized signatory on the company bank account since the company opened in 2008. The signature card lists Adame as the Vice President of the company, and the address used on the company checks is Adame’s home address at Charlecote Ridge. The bank records also establish that in 2017 alone 46 deposits were made into the Adame Construction bank account for a total of \$313,954.

Contrary to Adame’s statements to OIG investigators, the bank records for 2017 establish that he endorsed all of the checks deposited into the account and signed nearly all checks drawn on the Adame Construction bank account. By way of contrast, Adame’s daughter signed only eleven of the 220 checks issued in 2017, ten of which were drafted after Adame was notified to appear for his OIG interview. Although Adame claimed that he received no salary from the company, the bank records also establish that Adame signed and cashed a check payable to himself in the amount of two thousand dollars (\$2,000) in February 2017.

MTA and NYC Transit Policies

MTA All-Agency Code of Ethics

MTA All-Agency Code of Ethics, Section 4.07, Other Employment and Outside Activities, states, in pertinent part, the following:

Employees are prohibited from outside employment . . . that interferes or is in conflict with the proper and effective discharge of the individual’s official duties and responsibilities . . . Employees may engage in outside employment/activity provided that . . . such employment/activity does not interfere with their ability to devote appropriate time and attention to their employment with their MTA Agency . . . they do not use any MTA Agency resources (e.g., time, equipment, telephone, etc.) in connection with such Employment . . . such employment/activity does not violate the specific guidelines for other employment set by their MTA Agency . . . and . . . they obtain the required approvals as set forth in the specific procedures for approval of other employment set by their MTA Agency.

MTA All-Agency Code of Ethics, Section 4.02(b), Public Trust, provides:

Employees shall not use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.

MTA All-Agency Code of Ethics, Section 8.04, Prohibition Against Use of MTA Property, provides:

MTA's names, logos, supplies, equipment, computer resources, personnel, and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind.

MTA All-Agency Code of Ethics, Section 1.07, Cooperation with Audits and Investigations, provides:

Employees must cooperate fully and honestly with audits and investigations conducted by the MTA Inspector General, Joint Commission on Public Ethics, Auditor General, Chief Compliance Officer, Agency Ethics Officer, or other governmental agencies. Failure to so cooperate will subject an Employee to appropriate disciplinary penalty, up to and including dismissal.

NYC Transit Rules and Regulations

NYC Transit Rule 4(g) provides, in pertinent part, that:

All employees must obtain Authority approval before engaging in any occupation, business or professions, including self-employment, outside the Authority . . .

FINDINGS

1. Adame failed to obtain prior approval to engage in outside employment with Adame Construction, in violation of MTA All-Agency Code of Ethics Section 4.07 and NYC Transit Rule 4(g).
2. Adame used his official NYC Transit position in an attempt to attract business for Adame Construction, by posting on its social media site, a photograph of himself wearing a hardhat bearing the MTA logo at a NYC Transit construction job site, in violation of MTA All-Agency Code of Ethics Section 4.02(b).
3. Adame improperly used MTA property in an attempt to attract business for Adame Construction, by posting on its social media site, a photograph of himself wearing a hardhat bearing the MTA logo at a NYC Transit construction job site, in violation of MTA All-Agency Code of Ethics, Section 8.04.

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4. Adame did not cooperate fully and honestly with OIG's investigation, in violation of MTA All-Agency Code of Ethics Section 1.07, in that he falsely stated:
 - a. he did not work for Adame Construction
 - b. he was not an officer of Adame Construction
 - c. he did not sign any checks for Adame Construction

RECOMMENDATION

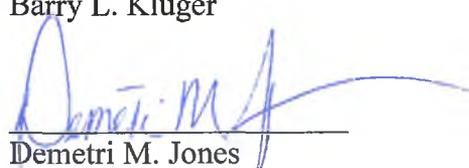
We recommend that NYC Transit impose discipline on Adame, up to and including termination.

As always, we appreciate your continued courtesy and cooperation. Should you have any questions, or need additional information, please contact me at (212) 878-0007 or Assistant Deputy Inspector General Monica J. Hickey-Martin (212) 878-0081.

Very truly yours,

Barry L. Kluger

By:



Demetri M. Jones
Deputy Inspector General
Legal and Investigations

Cc: Kim Moore-Ward, VP Labor Relations