

fire alarm

For some volunteers, business is good

BY ELIZABETH MOORE / STAFF WRITER

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When it went shopping for a fire engine, ambulance or a tractor-trailer to carry their racing vehicles, the Syosset Fire District relied on then-Commissioner Ronald Geraci to guide them.

As a professional fire truck dealer, Geraci knew all the ins and outs of these complex and costly purchases. The board routinely followed his advice — even when he recommended one of his own company's trucks at a price \$96,296 more than the next highest bidder and \$116,590 more than the low bidder.

Now, Nassau Chief Assistant District Attorney Patrick J. McCormack Jr. says his office is probing those sales. A former business partner alleged that one of the deals included a hidden commission for Geraci, even though he had told his fellow commissioners that he'd make nothing from it.

"The district attorney's office has been investigating this situation up, down, sideways, back and forth, and has never found that a nickel went to Ron Geraci," said Stanley Koplow, Geraci's criminal defense attorney whose firm is also representing Geraci in a defamation suit against his former partner.

From fire trucks to computer software, from insurance to beer cozies, the hundreds of millions of dollars flowing through the Long Island fire service each year sustain a thriving mini-economy of businesses owned by volunteers themselves.

Sometimes, these volunteers do business with their own agencies, interviews and a sampling of board minutes showed, raising questions about conflicts of interest.

"These are things that just drive the public crazy when they hear about it," said Jeff Stonecash, professor of political science at Syracuse University's Maxwell School. "When you've got a foot in both camps and there's money to be made off the public-sector connection, boy, there's all the potential in the world for corruption."

But it can be extremely difficult to tell which dealings are acceptable under the law and which are not.

In Freeport, for instance, John Maguire, who was a fire chief from 2001 to April of this year, sold more than \$65,000 worth of firefighting equipment and services to the village between 1999 and 2002. Of those 20 orders from Excelsior Fire Protection Inc., at least 15 were placed by village officials who were also members of the fire department.

Eight of those orders came from Maguire's brother Raymond, who is the fire department's salaried administrator.

Volunteers are exempt

New York State law bars officials in local government from preparing or approving contracts in which they have an interest, said Evan Davies, chairman of the temporary commission that drafted New York's ethics law. But while the rule applies to fire commissioners, volunteer firefighters and chiefs are exempt.

And Raymond Maguire, who is a partner in another fire-related business with his brother, said he has no financial interest in Excelsior and noted that all of the orders were approved by the village's purchasing department.

"If the chiefs or captain or somebody wants to purchase something, they submit it to my office, and I send it to purchasing," Raymond Maguire said. That office reviews the order, he said, to make sure "we're getting the best bang for the buck."

Harrison J. Edwards, the village attorney, said there is also an oversight committee, "which reviews the equipment requests made by the fire department and then makes recommendations."

Raymond Maguire said the fire department is still buying goods from his brother's company. John Maguire couldn't be reached for comment.

In Nesconset, Arthur Rivers was the fire district's secretary-treasurer for 40 years until he became the assistant treasurer about three years ago. For more than 10 years, he was also Nesconset's insurance agent as a longtime partner and later president and 50 percent owner of Hometown Insurance Agency of Smithtown. Rivers said his agency also set up the district's pension program for its volunteers.

"I think that it was just that I represented a better company," he said of how he got the contract. He disclosed his ties each year in letters to his board.

"I don't approve anything and I never did," he said, noting that a state comptroller's opinion says that it is not a conflict of interest for treasurers to sell insurance to their own districts.

And in Port Washington, the Flower Hill Hose Co. bought a pumper last year from truck maker KME. The Long Island dealer for KME is Chief Fire & Rescue Apparatus, whose majority owner is James Duncan, a trustee of the hose company.

Flower Hill is one of four not-for-profit volunteer companies that make up the Port Washington Fire Department, which contracts to protect the area.

Duncan said that the pumper was bought straight from the manufacturer after a competitive bidding process, and he got no commission on the sale.

"There is not a conflict of interest because it [Flower Hill Hose Co.] is a private corporation," he said. "They bid it out, even though they don't have to."

The Nassau district attorney's office questioned him about the deal, Duncan said. McCormack said his office has closed the matter without taking action.

Duncan said he was the dealer when the Atlantic Hook and Ladder Co. 1, another of the department's companies, bought a ladder truck and a rescue truck. But he said he won both contracts through competitive bidding.

"If this was a fire district and I was a commissioner, I wouldn't be doing this because you can't do it, and I know it," he said.

Questions about deal

Former Syosset commissioner Geraci's troubles stem from his role in Syosset's effort to buy a new rescue truck.

The truck was first put out to bid in May 2000, and two offers came in: one for \$457,300 and another for \$328,910. Instead of taking the low bid, Geraci persuaded the board to throw out both bids, minutes show. He and another commissioner "agreed to work with the truck committee" drafting new specifications.

But when those were issued, the original low bidder, Amtech dealer Rick Dorfman, complained to Syosset that they were "tightly written in favor of one manufacture ... This is no longer an open set of specifications applicable for public bidding."

Geraci was a dealer for Saulsbury, which specialized in trucks with stainless steel bodies of the type Syosset wanted and had bid on this second round of specifications. At \$445,500, Saulsbury's bid was more than \$116,000 higher than Amtech's, but Geraci urged accepting it anyway.

"Commissioner Geraci explained in detail the advantages of purchasing the High-Angle Rescue apparatus from Saulsbury," the Oct. 9, 2000, Syosset board minutes show. Geraci made the motion to award the bid to Saulsbury and voted with the majority in favor.

Kopilow, Geraci's attorney, said his client was simply recommending a truck widely recognized as the best available.

After the vote, Geraci "stated for the minutes that although he is a Saulsbury dealer, he in no way or form would receive any commissions or rewards from Saulsbury . . . for the purchase."

But two years later, an estranged business partner wrote the district to say Geraci had actually taken a \$16,000 commission for the high-angle truck.

Geraci denied it and produced a letter from Saulsbury backing him. But another more senior official at Saulsbury's parent company, Federal Signal Corp., wrote the board to say that a \$16,000 dealer commission was built into the truck's price. The company attached a copy of the contract that listed a line item for a \$16,000 commission.

The district has called the accusation "groundless."

Geraci, Kopilow said, has stopped selling fire trucks and now runs a catering concern.

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