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Was Levy Motivated By Money?

Official Believes NYC School Chancellor Opened Up Lower Manhattan Schools Too Early

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NEW YORK -- A federal environmental official said New York City school chancellor Harold Levy cited conflict of interest accusations, and said he should not have been involved in the decisions to re-open ground zero schools.

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The reason, according to Hugh Kaufman who is a veteran staffer with the Environmental Protection Agency, is that Levy's former employer, Citigroup owns Travelers' Web site Insurance, and the company has lost about \$500 million tied to insurance claims related to Sept. 11. Kaufman asserts that Traveler's would benefit from the perception that things were back to normal in lower Manhattan, and that the re-opening of the schools contributes to that perception.

"He owns stock in Citigroup, and Citigroup has a financial interest in having everyone think everything is safe and getting people down into that area," Kaufman said.

Levy took the chancellor's job in January of 2000. But according to his financial disclosure statement, he has a minimum of \$770,000 dollars of investments Citigroup -- and perhaps as much as \$2.3 million dollars.

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Levy would not appear on camera but issued a statement that said: "To remove all doubt, I have asked my counsel to refer the matter to the city's conflicts of interest board, and will be guided by its decision."

The chancellor insists his decision to return children to their schools was based on advice he received from the department of health, and other experts. Based on that advice, Levy concluded there were no serious health risks.

Levy also said he had no knowledge of any policies underwritten by any insurance company at the World Trade Center.

An ethics expert says the accusation does not make sense. "I think its a silly accusation," said Steven Cohen, an ethics expert from Columbia University. "I don't think the chancellor would in any way put children in danger because of a conflict of interest."

Other officials at the EPA claim Levy is the victim of a bureaucratic power struggle the agency is having with Kaufman and the ombudsman's office, which acts as an internal watchdog.

Some parents feel the decision to return to ground zero schools was rushed.

Fred Seeman is now having his child home-schooled rather than return to P.S. 89.

"You can see the dust, you can feel it on your clothes, and we just did not feel comfortable sending him back there," Seeman said.

Many parents worry that with the unfinished work at ground zero, there are still more questions than answers.

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