



The City of New York  
Department of Investigation  
ROSE GILL HEARN  
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**FOR IMMEDIATE RELEASE**  
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**FORMER EXECUTIVE DIRECTOR OF CITY-FUNDED NONPROFIT SENTENCED TO A TERM OF TWO TO SIX YEARS  
IN STATE PRISON FOR STEALING MORE THAN \$140,000 FROM THE ORGANIZATION**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on the prison sentence of LISA WINTERS who pleaded guilty in February 2013 to one count of Grand Larceny in the Second Degree, a class C felony. Bronx Supreme Court Judge Martin Marcus sentenced WINTERS today to a term of two to six years in state prison.

As part of her plea, WINTERS admitted to embezzling approximately \$143,000 in charitable assets from Bronx Community Pride Center (“Bronx Pride”), a not-for-profit organization that received City Council discretionary funding through the New York City Department of Youth and Community Development (“DYCD”) to serve the lesbian, gay, bisexual and transgender community in the Bronx. WINTERS, 49, the former Executive Director at Bronx Pride, was charged in a 25-count indictment in June 2012. As part of the embezzlement scheme, WINTERS issued checks from Bronx Pride’s operating account to herself and to purchase personal dog-walking services, and a personal trip to Africa. Additionally, WINTERS issued \$43,437 in Bronx Pride checks to pay for expenses on her personal credit card and she incurred numerous charges on Bronx Pride’s corporate debit card and credit card for personal expenses, including clothing, pet care and veterinary services, and domestic and foreign personal travel including The Turks & Caicos and the United Kingdom. The case was prosecuted by the office of Bronx County District Attorney Robert T. Johnson. A copy of DOI’s investigative findings follow this statement.

DOI Commissioner Rose Gill Hearn said, “This defendant was supposed to safeguard the nonprofit she managed. Instead, she pilfered taxpayer dollars to pay for a \$25,000 trip to Africa, thousands of dollars in clothing, and nearly \$20,000 for pet care and veterinary services, among other items. The City has zero tolerance for nonprofit executives who use their positions to steal public funds and deprive the communities they are supposed to serve. This prison sentence is a fitting reminder of the high cost of such crimes.”

Bronx Community Pride Center is defunct.

Commissioner Gill Hearn thanked Bronx County District Attorney Robert T. Johnson and DYCD Commissioner Jeanne B. Mullgrav and their staffs for their cooperation and assistance in this investigation.

Assistant District Attorney Richard Kearney was assigned to this case under the direction of Thomas Kapp, Chief of the Arson/Economic Crimes Bureau, and Thomas Leahy, Chief of the Investigations Division of the Bronx County District Attorney’s Office.

The above investigation was conducted by DOI’s Not-for-Profit / Vendor Fraud Unit.

*DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.*

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Get the worms out of the Big Apple. To report someone ripping off the City, call DOI at (212) 825-5959.**



**The City of New York  
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January 17, 2012

Commissioner Jeanne B. Mullgrav  
City of New York  
Department of Youth and Community Development  
156 William Street  
New York, New York 10038

Re: Bronx Community Pride Center

Dear Commissioner Mullgrav:

The New York City Department of Investigation (“DOI”), through the Office of the Inspector General for the New York City Department of Youth and Community Development (“DYCD”), has completed an investigation into Lisa Winters, former Executive Director of Bronx Community Pride Center (“Bronx Pride”), a not-for-profit that contracts with DYCD. Bronx Pride is a non-profit organization located at 975 Kelly Street, Bronx, New York that received \$92,500 in discretionary City funding, administered through DYCD, for Fiscal Year 2011. For Fiscal Year 2012, Bronx Pride will receive \$120,031 in discretionary City funding, administered through DYCD. In addition, Bronx Pride has received funding from the National Institutes of Health and private donations. Bronx Pride provides case management, referrals to social services, health care information, and educational programming to individuals in the lesbian, gay, bisexual and transgender community. Lisa Winters is one of the founding members of Bronx Pride, and served as Chair of the Board of Directors until she was appointed as the Interim Executive Director in 2005.

***Background***

In January of 2010, DOI received a referral from DYCD based on an allegation that Lisa Winters had engaged in financial transactions that were not authorized by the Board of Directors of Bronx Pride (“the Board”).<sup>1</sup> Upon receiving this referral, DOI learned that a similar referral had also been made to the Bronx

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<sup>1</sup> On January 13, 2010, Michelle Lopez, Board Chair of Bronx Pride, informed DYCD that the Board had received receipts and checking and bank reconciliations showing financial transactions by Lisa Winters that were not authorized by Lopez or any other Board member. Lopez also informed DYCD that the Board was already in communication with

District Attorney's Office ("Bronx DA's Office") which prompted their investigation into the matter. On January 29, 2010, DOI attended a meeting held at the Bronx DA's Office and, subsequently, commenced an analysis of Bronx Pride and Lisa Winters' financial records including, but not limited to, bank account records, credit card statements, and general ledgers. DOI also conducted interviews of former and current employees as well as former and current members of the Board, and performed unannounced and announced site visits.

In January of 2011, DOI investigators met with the Bronx DA's Office to share the results of DOI's findings. DOI's investigation substantiated that from 2005 through 2009, Lisa Winters used \$338,674 of Bronx Pride's operating funds to finance her personal expenses. Winters' personal expenses included charges for meals at restaurants, domestic and international travel, clothes, liquor, groceries, and her dog walker. Additionally, Winters used Bronx Pride's funds to make ATM withdrawals, issue checks for cash, and issue checks payable to her personal credit card. In January of 2010, the Board terminated Winters after receiving information and documentation from a former employee of Bronx Pride which indicated that Winters had misappropriated funds from Bronx Pride's operating account.

The details of DOI's findings are summarized below.

### ***Bronx Pride's Debit Card Charges***

DOI's financial analysis revealed that from 2006 through 2009, Winters incurred a total of \$115,175 in personal charges on the debit card registered to Bronx Pride and linked to one of its operating accounts. Among the personal charges were \$28,513 in ATM cash withdrawals, \$9,217 for purchases at supermarkets, \$12,000 for meals at restaurants, \$9,604 for purchases from pet stores, \$1,884 for purchases at liquor stores, and \$11,000 for purchases at clothing stores. Through DOI's interviews of Bronx Pride employees and members of the Board, DOI learned that Winters was the only individual who had access to Bronx Pride's debit card. Additionally, DOI investigators reviewed the above-mentioned charges on the debit card with Bronx Pride's then Director of Finance, Nivea Morales, who identified these charges as being non-program-related. First, according to Morales, if an employee needed access to cash funds, the employee would adhere to Bronx Pride's "petty cash" protocol which required Morales to issue the cash to the employee and the employee to provide a receipt documenting that the expense was program-related. To replenish the petty cash fund, Morales would issue a check to "cash" at the bank, and thus, petty cash would never come from an ATM withdrawal. Notably, some of the ATM cash withdrawals appearing on the debit card occurred during the weekend. Second, according to Morales, any food purchases for the program were made through "Giovanni's Restaurant," and not at supermarkets. The supermarket purchases appearing on the debit card were in Winters' neighborhood, and the restaurant charges appearing on the debit card were not for "Giovanni's Restaurant." Third, Bronx Pride does not provide any services for pets, and therefore had no program-related expenditures for pets. Fourth, Bronx Pride does not provide liquor to their clients who are run-away-youth. Fifth, the employees who were interviewed stated that Bronx Pride did not purchase clothing for their clients.

### ***Bronx Pride's Credit Card charges***

DOI's financial analysis of the billing statements from 2005 to 2010 shows that Winters incurred a total of \$53,996 in personal charges on the three Capitol One SBS Platinum Visa credit cards registered to Bronx Pride. Through DOI's interviews of Bronx Pride's employees and members of the Board, DOI learned that Winters was the only individual who had access to Bronx Pride's three credit cards. DOI's analysis also shows that Winters used Bronx Pride's three credit cards to purchase items from some of the same vendors that appeared on the debit card expenditures listed above. In addition, the Bronx Pride credit card statements

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Bronx Assistant District Attorney Richard Baker, who had been monitoring Lisa Winters for over a year due to a former Bronx Pride fiscal officer, Shirley Blatt, who was serving time in prison for fraudulent financial activities.

from 2006 through January 2010 were mailed to Lisa Winters at Bronx Community Pride Center, 448 E 149<sup>th</sup> Street, Bronx, NY 10455. Beginning in February 2010, the Bronx Pride credit card statements were mailed to Lisa Winters, Bronx Community Pride Center, Apartment 4L, 4915 Broadway, New York, NY 10034, which DOI confirmed to be Lisa Winters' home address.

### ***Lisa Winters Transferred Bronx Pride Funds to Pay for Her Personal Credit Card Finance Charges***

DOI's financial analysis revealed that from 2005 through 2008, Lisa Winters issued and signed checks and electronically transferred a total of \$43,437 from Bronx Pride's operating account to finance charges incurred on her four personal Capital One Platinum Master credit cards.<sup>2</sup>

### ***Checks Issued from Bronx Pride's Operating Account***

DOI's financial analysis of the bank records linked to Bronx Pride's operating account also shows the following transactions from 2005 to 2008: Lisa Winters issued, signed and cashed \$31,825 in checks payable to "Cash"; Lisa Winters issued, signed and cashed \$36,365 in checks payable to "Lisa Winters"; Lisa Winters issued, signed and cashed \$18,230 in checks payable to "Petty Cash; and Lisa Winters issued and signed a \$10,000 check to "Vanessa Hensley" on June 19, 2007 for a personal trip to Africa. The endorsement on the check reads, "Pay to the order of EYES ON AFRICA Vanessa Hensley," and was deposited in a Citibank account belonging to "Eyes on Africa." DOI's research determined that Vanessa Hensley works for "Eyes on Africa," an organization that conducts tours of Africa. Through interviews and an analysis of Winters' personal bank account, DOI determined that Winters visited Africa during June 2007. DOI confirmed via Lisa Winters' passport that Winters along with her partner, Eileen Scroggins, traveled to Africa on July 1, 2007 and returned on July 26, 2007. A former employee of Bronx Pride testified that he was aware that Winters travelled to South Africa with her significant other, Eileen Scroggins, in the Summer of 2007. This former employee also stated that Vanessa Hensley was a tour guide who accompanied Winters on her trip to South Africa.

DOI's financial analysis also discovered that from 2005 through 2006, Winters issued \$13,693 in checks to "Wilhelmina Sargent," an individual for whom Bronx Pride never entered into an employment or consulting contract. Bronx Pride employees testified to DOI that Wilhelmina Sargent was a close friend of Winters. In addition, from 2006 through 2008, Winters issued \$15,953 in checks from Bronx Pride's bank account to "Anne Wright," an individual for whom Bronx Pride never entered into an employment or consulting contract. In fact, DOI learned through interviews and an analysis of Winters' personal bank account records that Anne Wright was Winters' dog walker. Cancelled checks from Winters' personal bank account revealed that Winters paid "Anne Wright" to walk her dog on a weekly basis. In addition, Bronx Pride employees testified to DOI that Anne Wright was in fact Winters' dog walker. And, a former employee of Bronx Pride testified that Anne Wright had at one time come to the organization and introduced herself as Winters's dog walker.

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<sup>2</sup> Under the By-Laws, Article X, *Limitations*, Section 2, *Prohibition Against Sharing in Corporate Exchange*, "No Director, officer or employee of, or other person connected with Bronx Community Pride Center, Inc., or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of Bronx Community Pride Center, Inc., provided this shall not prevent either the payment to any such person of reasonable compensation for service rendered to or for the benefit of Bronx Community Pride Center, Inc., or the reimbursement of expenses incurred by any such person on behalf of Bronx Community Pride Center, Inc., in connection with effect any of the purposes of Bronx Community Pride Center, Inc.; and no such person or persons shall be entitled to share in the distribution of any the corporate assets upon the dissolution of Bronx Community Pride Center, Inc."

### *Statements by Current and Former Employees*

Current and former employees testified to DOI investigators that they suspected, but did not have any evidence, that Winters was misappropriating agency funds. On more than one occasion, the employees anonymously alerted the Board of their suspicion that Winters was misappropriating funds. However, none of the employees came forward until January 2010 when a then former employee contacted Dakaria Larriett, a board member, and provided copies of bank statements showing questionable transactions because they feared that Winters would have terminated them, especially in light of an October 23, 2009 memorandum that Winters issued to the employees. The memorandum stated in substance that all communications with the Board should be made through Winters, otherwise the employees would be terminated. Two former employees testified that in January 2009, they went to the Bronx DA's Office to speak about what they observed at Bronx Pride, and that they provided copies of documents to the Bronx DA's Office.

### *The Board*

DOI's investigators interviewed current and former Board members including, Michelle Lopez, Dakaria Larriett, David Matthews, Robert Beil, Bill Goeren, and Jorge Rodriguez, and learned that the Board did not authorize Winters to use Bronx Pride's funds to finance her personal expenses. However, DOI discovered a lack of board oversight and control over Winters. Specifically, Board members testified that they trusted Winters and allowed her to set the agenda and direct the board meetings. In addition, Winters never produced financial reports to the Board even when requested. Moreover, there was no board member who had the appropriate qualifications to review and understand any reports about Bronx Pride's finances.

DOI's investigation also determined that the Board Chair, Michelle Lopez, had a close relationship with Winters in that Lopez's daughter lived in Winters' home for some time during 2008. Lopez also testified to DOI that Winters took her daughter on a Norwegian cruise that Bronx Pride purchased to auction at a fundraiser for Bronx Pride. Lopez said that Winters did not auction the cruise package and instead took the cruise package for herself. Lopez said that her daughter went on the cruise with Winters in 2008 when she lived with Winters. DOI's financial analysis uncovered that Lopez was issued \$1,000 from Bronx Pride's account on September 15, 2006. When DOI questioned Lopez about the payment, she stated that Roche Pharmaceutical paid her for facilitating an AIDS workshop at Bronx Pride and, because Roche Pharmaceutical could not pay Lopez directly, the company issued the payment to Bronx Pride for Lopez.

Moreover, DOI learned that the Board had received previous complaints against Winters before Lopez notified DYCD in January of 2010. Lopez testified that she had previously received anonymous phone calls from individuals who claimed to be employees of Bronx Pride, alleging that Winters was misusing agency funds and was often drunk at work. Lopez stated that she was unable to address the allegations at that time because none of the employees wanted to come forward. In addition, Bill Goeren, a former Board member, testified that in 2009, he received an anonymous e-mail stating that the Board should examine the finances of the agency because Winters was using the funds for her personal use. Goeren testified that he then contacted Lopez, but Lopez told him that the allegations were unfounded and were lodged by an employee who had an issue with Winters. Finally, Dakaria Larriett informed DOI that in January of 2010, a former Bronx Pride employee alleged fiscal impropriety against Winters and provided bank statements showing charges for her personal expenses. At that point, given the fiscal documentation of Winters' misappropriation of agency funds, Lopez and the rest of the Board convened an emergency meeting. Subsequently, the Board terminated Winters, and Lopez notified DYCD of the allegations against Winters.

*Assertion of the Fifth Amendment Right against Self- incrimination*

DOI investigators attempted to interview Winters; however, in a letter dated August 4, 2011, Winters' attorney, Charles E. Clayman, stated that Winters would assert her Fifth Amendment Right against self-incrimination to all questions pertaining to her employment.

**CONCLUSIONS AND RECOMMENDATIONS:**

DOI's investigation has established that from 2005 to 2009, Winters misappropriated \$338,674 of Bronx Pride's funds to finance her personal expenses. Through the investigation, it is apparent that while Bronx Pride did not authorize Winters to do this, the organization's Board lacked the necessary oversight mechanisms which enabled Winters to control the Board and, ultimately, to misappropriate City funds for her personal benefit. DOI's investigation also determined that Winters has not reimbursed Bronx Pride for any portion of the \$338,674 used to finance her personal expenses.

Based on the results of this investigation, DOI makes the following recommendations to DYCD:

- As part of its audit or review, DYCD should obtain and review minutes of the board meetings to ascertain whether the board is requesting and reviewing financial records, including but not limited to, profit and loss statements, monthly or quarterly transactions pertaining to Bronx Pride's operating income and expenditures, as well as the Audited Financial Statements.
- As part of its audit or review, DYCD should ensure that the board members, particularly the Board Chair, are appropriately credentialed to perform their fiduciary duties. DYCD should also ensure that at least one board member has the appropriate accounting and financial qualifications to perform adequate oversight of Bronx Pride's finances.

As mentioned above, our findings have been referred to the Bronx DA's office. We are now referring our findings to you and the Mayor's Office of Contracts for any action deemed appropriate. If you have any questions or wish to discuss this matter in more detail, please contact me, or Ivette A. Morales, Director of Forensic Accounting of the Not-For-Profit Vendor Fraud Unit, at 212-825-5920.

Sincerely,



Chanterelle Sung  
Inspector General

cc: Thomas Leahy, Chief of Investigations, Office of the District Attorney Bronx County  
Richard P. Kearney, Assistant District Attorney, Office of the District Attorney Bronx County  
Marla Simpson, Director of the Mayor's Office of Contracts