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DOI AND MANHATTAN DISTRICT ATTORNEY CHARGE SEVEN IN HOUSING FRAUD SWEEP
Investigation uncovered charged thefts totaling nearly \$260,000

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), and CYRUS R. VANCE, JR., New York County District Attorney, announced the arrests this week of seven individuals charged in separate cases with defrauding the City Department of Housing Preservation and Development ("HPD") of approximately \$259,562. HPD reported various allegations of possible wrongdoing to DOI, resulting in investigators' uncovering a variety of charged crimes, including a former Tenants' Association president's stealing approximately \$97,000 from her building's bank account and spending it on shopping trips and resort stays, a tenant who illegally obtained approximately \$76,000 in Section 8 subsidies by falsely reporting that the approved Section 8 recipient, her mother, was living in the apartment, and another Section 8 recipient who concealed nearly \$450,000 in income during a six-year period, illegally obtaining nearly \$33,000 in rent subsidies, according to the criminal complaints and an indictment. DOI worked with the office of New York County District Attorney Cyrus R. Vance, Jr., which is prosecuting these cases.

DOI Commissioner Rose Gill Hearn said, "Housing fraud wastes and depletes the limited public money available to help disadvantaged New Yorkers. Individuals tempted to steal from City housing programs should know that these crimes will be thoroughly investigated and prosecuted. DOI thanks the Manhattan District Attorney's Office and HPD for their hard work and partnership in combating these crimes."

New York County District Attorney Cyrus R. Vance, Jr., said, "Low-income housing subsidies are critical public services for those in need. These funds cannot be fraudulently siphoned away from New Yorkers who rightfully qualify for public assistance. I thank DOI for its work on these cases."

The housing frauds range between approximately \$5,775 and \$97,000, with six of the cases involving fraud of Section 8 subsidies administered by HPD and the seventh case involving fraud from a building that is under the City's Tenant Interim Lease Program ("TIL") administered by HPD. Below are brief summaries of the cases:

- RENEE HERNANDEZ, 52, of Manhattan, arrested May 16, 2011, is charged in an indictment with Grand Larceny in the Second Degree, a class C felony. Upon conviction, a class C felony is punishable by up to 15 years in prison.

As outlined in the indictment and found in the investigation, the defendant is charged with stealing approximately \$97,000 from HPD and the 244-46 Elizabeth Street Tenants Association ("TA"). She is accused of using her position as TA president to steal the money from the building's TA account, by withdrawing funds from certificates of deposit and opening a credit card linked to the account. DOI's investigation found the defendant used the funds to make numerous personal purchases, including at clothing and home goods stores, nail salons, and a resort in Florida.

The TA at 244-246 Elizabeth St., Manhattan, collected rent under the City's TIL program, which offers tenants who live in City-owned buildings an opportunity to manage and eventually buy their apartments from the City

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and operate their buildings as low-income cooperatives. The program requires that tenants elect officers and create a TA, which collects rents and deposits them in a TA bank account to pay for building expenses such as maintenance. TAs must submit monthly financial reports to HPD. The building at 244-246 Elizabeth St. is not occupied and is expected to undergo renovations.

- ELIZA CHAN, 32, of Manhattan, arrested May 18, 2011, is charged with Grand Larceny in the Second Degree, a class C felony, and two counts of Offering a False Instrument for Filing in the First Degree, a class E felony. According to the criminal complaint, between October 2003 and August 2008, CHAN stole approximately \$76,370 in Section 8 subsidies by falsely reporting that her mother, the tenant of record supposedly receiving the Section 8 benefits, lived in the subsidized apartment in Manhattan, when, in fact, CHAN's mother never resided there. The defendant, when faced with a rent increase, complained to HPD and only then disclosed that her mother did not reside in the apartment, and HPD reported the incident to DOI.

The following defendants were also arrested and charged with varying counts of Grand Larceny in the Third Degree, a class D felony, and Offering a False Instrument for Filing in the First Degree, a class E felony. According to the criminal complaints:

- BELKIS DELACRUZ, 40, of Manhattan, arrested May 18, 2011, was a tenant in a Section 8 apartment in Manhattan and concealed about \$447,875 in income she received from several jobs during a six-year period, thereby defrauding HPD of approximately \$32,974 in Section 8 subsidies between 2004 and 2009.
- JOSE NUNEZ, 57, of Manhattan, arrested on May 17, 2011, received Section 8 benefits for an apartment on West 178th Street and failed to report he moved out, but continued to collect the rent subsidies, thereby defrauding HPD of approximately \$23,970 in Section 8 subsidies between September 2008 and August 2010.
- MIRIAM ORTIZ, 51, of the Bronx, arrested on May 17, 2011, concealed the income she received as a cleaning assistant for a private company – approximately \$261,300 during a seven-year period – thereby, defrauding HPD of approximately \$15,661 in Section 8 subsidies between 2003 and 2008.
- KAMAR SARWAR, 50, of Far Rockaway, arrested May 18, 2011, defrauded HPD of approximately \$7,812 in 2008 by falsely reporting that her daughter, who resided with her, was not employed when, in fact, her daughter did receive income.
- HILLARY MOORE, 42, of the Bronx, arrested on May 16, 2011, failed to report about \$53,829 in income, thereby defrauding HPD of approximately \$5,775 in Section 8 subsidies between November 2008 and January 2010.

Upon conviction, a class D felony is punishable by up to seven years in prison, and a class E felony by up to four years in prison.

Commissioner Gill Hearn thanked HPD Commissioner Mathew M. Wambua and New York County District Attorney Cyrus R. Vance, Jr., and their staffs, for their assistance in this investigation.

The investigation was conducted by DOI's Office of Inspector General for HPD.

Assistant District Attorneys Jose Fanjul, Matthieu Goddenye, Jonathan Gross, Doug Kaufman, and Joanne Siegmund are prosecuting the cases under the supervision of Thomas Wornom, Chief of the New York County District Attorney's Special Prosecutions Bureau, and Deputy Bureau Chief Archana Rau.

Criminal complaints and indictments are merely accusations. Defendants are presumed innocent until proven guilty.

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