



Department of Investigation *Press Release*

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2 BROOKLYN AND STATEN ISLAND RESIDENTS CHARGED IN \$175K HOUSING AND WELFARE FRAUD

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that two City-subsidized housing residents -- in Brooklyn and Staten Island -- have been charged with stealing more than \$175,000 in government benefits. The defendants allegedly lied about their employment or household income and thereby fraudulently received more than \$96,000 in subsidized housing benefits from New York City. One of the defendants -- a certified nursing assistant -- has also been charged with illegally receiving more than \$79,000 in public assistance benefits by using different aliases, and a social security number assigned to another individual, to conceal her employment from the New York City Housing Authority (NYCHA) and the New York City Human Resources Administration (HRA).

According to Commissioner Kuriansky, "These arrests are part of an ongoing Citywide crackdown by DOI and the local district attorneys, which has, since 1995, resulted in the arrest of 217 residents -- including 73 City, State, and Federal employees -- charged with stealing over \$4.4 million in rent and welfare subsidies by hiding their income and assets from the City. So far, 168 cases have resulted in conviction and more than \$2.2 million in court-imposed restitution."

Commissioner Kuriansky added, "The lesson these defendants and others would be wise to learn is that, with so many needy New Yorkers on long waiting lists for affordable public housing, the City will not be duped into providing subsidized apartments to people who can well afford to pay more or even live elsewhere."

In the past 8 months alone, DOI's Inspector General for NYCHA has arrested a total of 34 residents for stealing nearly \$600,000 in government benefits by concealing their employment or actual household income from NYCHA, thereby fraudulently receiving subsidized housing benefits.

Commissioner Kuriansky noted that NYCHA -- which manages 346 public housing developments providing shelter to more than 535,000 tenants, and, additionally, administers the federally-funded Section 8 Leased Housing program, providing government rent subsidies to nearly 75,000 needy families living in privately-owned dwellings -- introduced a rent amnesty program for its public housing residents on September 1, 2001, extending through January 31, 2002. The Amnesty Program is an opportunity for under-reporting residents to voluntarily come forward, declare all household income and assets, and pay back any monies owed, or else face prosecution and eviction if they are later discovered. To date, more than 3,300 NYCHA residents and Section 8 participants have filed applications under the Amnesty Program.

In today's cases, PATRICIA MEYERS, a Supplemental Security Income (SSI) recipient and resident since February 1977 of a 4-room apartment at NYCHA's South Beach Houses in Staten Island, was indicted for illegally obtaining \$59,474 in rent subsidies by concealing from NYCHA, between January 1986 and February 2000, the presence in the apartment of her boyfriend -- who earned between \$37,371 and \$68,160 a year as a United States Postal Service employee until his retirement in 2000. MEYERS falsely claimed that her household consisted only of herself, and that her total household income ranged from \$3,714 to \$7,506 a year and was wholly derived from welfare and social security benefits. Between 1986 and 2000, MEYERS' rent share ranged from \$147 to \$192 a month, while NYCHA paid rent subsidies ranging from \$303 to \$348 a month. In fact, MEYERS should have paid a rent share of \$495 a month, the maximum rent for an apartment of that size.

MARIE GRACIA, a certified nursing assistant, was charged with fraudulently receiving more than \$116,000 in rent subsidies and welfare benefits between 1989 and 1997. She received Section 8 subsidies for a five-room apartment at 2401 Beverly Road, Brooklyn, New York, from February 1990 to April 1993; a seven-room apartment at 717 Eastern Parkway, Brooklyn, New York, from April 1993 to November 1995; and a five-room apartment at 861 East 93rd Street, Brooklyn, New York, from November 1995 to May 1997. Although GRACIA was employed as a certified nursing assistant at Kateri Residence, Inc., a nursing home at 150 Riverside Drive in Manhattan, from 1990 through 1997, earning from \$22,175 to \$34,852 a year under the names MARIE GETTER and MARIE TOUSSAINT, and using a social security number assigned to another individual, she failed to report this employment and income to NYCHA, where she was known as MARIE GRACIA. Instead, she reported to NYCHA that, during the time period, her household income was derived solely from public assistance. GRACIA's earned income since September 1996 made her ineligible to receive Section 8 rent subsidies. Between 1990 and 1997, GRACIA's rent share for her successive apartments ranged from \$43 to \$141 a month, while NYCHA paid rent subsidies ranging from \$661 to \$898 a month. In fact, GRACIA should have paid rent shares ranging from \$568 to \$1,028 a month. As a result, it is alleged, GRACIA fraudulently received \$36,945 in NYCHA rent subsidies.

Moreover, GRACIA allegedly failed to report her employment and income to HRA, thereby fraudulently receiving \$43,464 in public assistance benefits and \$35,948 in food stamps during the period from 1989 through 1997.

Both defendants have been charged with Grand Larceny in the Second Degree, a Class C felony. In addition, GRACIA has been charged with two counts of Grand Larceny in the Third Degree, a Class D felony, and two counts of Grand Larceny in the Fourth Degree, a Class E felony. If convicted, each defendant faces up to 15 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to the NYCHA's Borough Management and Leased Housing Departments for their cooperation and assistance in the investigation.

The investigation was conducted by DOI Assistant Commissioner and NYCHA Inspector General Steven A. Pasichow and members of his staff, including Deputy Inspectors General Edward Glander and Kevin Smith, and Confidential Investigators Alexandra Hampton and Haydee Urena. Assisting with the public assistance fraud case, was HRA Assistant Deputy Commissioner Peter Jenik and HRA Investigator Sal Ippolito of the Bureau of Fraud Investigation.

The Office of Manhattan District Attorney Robert M. Morgenthau is prosecuting the case involving MEYERS. Assistant District Attorney Edward McCutcheon, under the supervision of Assistant District Attorney Gary Fishman, of the DA's Welfare Fraud Unit, is handling the matter. The Office of Brooklyn District Attorney Charles J. Hynes is prosecuting the case against GRACIA, with Assistant District Attorney Peter Zanolin,

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under the supervision of Executive Assistant District Attorney Melissa Jackson of the Rackets Bureau, handling the matter.

DEFENDANT INFORMATION:

1. PATRICIA MEYERS, 57, of Staten Island (\$59,474 in rent subsidies)
2. MARIE GRACIA, 42, of Brooklyn (\$36,945 in rent subsidies; \$79,412 in welfare benefits)