



# Department of Investigation

## *Press Release*

Release #012-99

### **FUGITIVE COUPLE APPREHENDED IN PUERTO RICO IN \$26,000 NYCHA TENANT FRAUD**

THURSDAY, MARCH 11, 1999 -- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that LUIS and CONNIE AYALA, former New York City Housing Authority (NYCHA) residents and City workers who fled last summer while awaiting trial on criminal fraud charges, have been arrested in Puerto Rico on fugitive warrants. The AYALAs, who voluntarily waived extradition proceedings in San Juan, returned to New York last night in the custody of DOI investigators and are being held on \$100,000 bail.

According to Commissioner Kuriansky, LUIS AYALA, a former NYCHA caretaker and resident of the Taylor Wythe Housing Project in Brooklyn, and his wife, CONNIE AYALA, were arrested in December 1997 as part of a joint probe -- "OPERATION GLASS HOUSE III"-- by DOI and the Manhattan District Attorney's Office, which focused on tenants who falsified their employment status, household income or existing assets, and fraudulently received subsidized housing. The AYALAs were charged with stealing a total of nearly \$26,000 in rent subsidies from August 1984 to December 1995 by failing to report that CONNIE AYALA was employed by the New York City Department of General Services as a custodial assistant during this period. They also did not report that while they lived in subsidized housing, they collected monthly rent on a home they owned in Puerto Rico.

On August 13, 1998, a bench warrant was issued for the AYALAs' arrest when they failed to appear in Manhattan Criminal Court for a scheduled court hearing. After learning that the Ayalas had vacated their NYCHA apartment two months earlier, investigators traced them to Puerto Rico where they were arrested last week at their home in Toa Alta Heights.

"With so many needy New Yorkers on long waiting lists for affordable housing, it is unconscionable for people like the Ayalas, who are able to pay for an apartment, to trick the City into giving them subsidized housing. Not content, these two retired City workers then financed their fugitive lifestyle in Puerto Rico with government pension checks," said Commissioner Kuriansky.

"Fortunately," Mr. Kuriansky added, "new computer matches of NYCHA tenant rosters with the City's payroll and welfare rolls are now in place to prevent such scams."

LUIS AYALA, 55, and CONNIE AYALA, 53, are charged with Grand Larceny in the Third Degree, a Class D felony punishable by up to 7 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to the Puerto Rico Police Department's Extradition Unit, the FBI's Violent Crime Squad in Puerto Rico, and the Office of the Inspector General for the United

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States Department of Housing and Urban Development (HUD) for their assistance during the investigation.

The investigation was conducted by Steven A. Pasichow, DOI's Inspector General for NYCHA, and members of his staff, including Confidential Investigator Frank Carubia. The prosecution is being handled by Manhattan Assistant District Attorney David Liston, under the supervision of Assistant District Attorney Bridget Fleming, Chief of District Attorney Robert M. Morgenthau's Welfare Fraud Unit.