



## Department of Investigation *Press Release*

**Release #039-2000**

### ***State AG Clerk Arrested In \$111,000 Housing & Welfare Fraud***

**FRIDAY, MAY 26, 2000** -- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), and WILLIAM L. MURPHY, Richmond County District Attorney, today announced that THEODORA CRAWFORD, a clerk in the New York State Attorney General's (AG) Consumer Frauds Bureau, has been charged with stealing nearly \$111,500 in government-subsidized rent and welfare benefits by concealing her employment and income.

According to Commissioner Kuriansky, CRAWFORD's arrest is part of an ongoing citywide investigation by DOI and the local district attorneys into housing and welfare fraud. Since 1995, the investigation has resulted in the arrest of 157 tenants, charged with stealing over \$3 million in rent subsidy and welfare benefits by concealing their income or assets from the New York City Housing Authority (NYCHA) and the Human Resources Administration (HRA). To date, 109 cases have resulted in conviction and over \$1.2 million in court-imposed restitution.

In recent weeks, 7 individuals - including 2 City teachers and a Health Department nurse - have been arrested for lying about their employment and/or household income and fraudulently receiving more than \$139,000 in subsidized housing from New York City. One of the 7 defendants was also charged with illegally receiving more than \$84,000 in welfare benefits while her husband, who resided with her, was gainfully employed.

CRAWFORD, who has rented a 2-bedroom, \$137 a month apartment in NYCHA's Richmond Terrace Houses on Staten Island for over 14 years, is accused of stealing a total of \$59,135 in rent subsidies from NYCHA between November 1, 1985, and November 30, 1999. CRAWFORD also is accused of stealing \$52,267 in welfare and foodstamp benefits from HRA between July 11, 1987, and December 26, 1996.

The investigation disclosed that CRAWFORD has been employed by the Attorney General's Office for over 19 years, from January 5, 1981, to date, and, since 1986, has earned a total income of \$296,328. Between June 19, 1986, and November 5, 1999, it is alleged, CRAWFORD submitted 14 income verification affidavits to NYCHA in which she failed to report her employment and income in the AG's Office.

Commissioner Kuriansky said, "The lesson that this defendant 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 -- like the longtime State employee involved here -- who can well afford to pay more or even live elsewhere."

District Attorney Murphy said, "The type of theft uncovered in this investigation is 'white-collar crime' at its worst. It involves concealment and is difficult to discover. I commend the department and agencies involved for their vigilance and care in this effort to maintain integrity in desperately needed social programs."

< NYCHA manages 344 public housing developments providing shelter to more than 600,000 tenants. In addition, NYCHA administers a federally funded, leased housing program known as Section 8. Under that program, tenants living in privately owned dwellings can receive a government rent subsidy. The Section 8 program presently covers more than 76,400 families.

CRAWFORD, 48, of 61 Jersey Street, Staten Island, works as a consumer complaint intake clerk in the AG's Office at 120 Broadway in Manhattan, earning \$31,000 a year. She is charged with 2 counts of Grand Larceny in the Second Degree, a Class C felony, and 5 counts of Offering a False Instrument for Filing in the First Degree, a Class E felony. If convicted, she faces up to 15 years in prison.

Commissioner Kuriansky and District Attorney Murphy expressed their appreciation to the New York City Housing Authority for its cooperation and assistance in the investigation.

The investigation was conducted by DOI Assistant Commissioner and NYCHA Inspector General (IG) Steven A. Pasichow and members of his staff, including Deputy IG Edward Glander, Assistant IG Ralph Iannuzzi, and Confidential Investigator Michael Wilk. Assisting in the welfare fraud part of the investigation were Peter Jenik, Assistant Deputy Commissioner, and Lisa Luccarelli, Investigator, of HRA's Bureau of Fraud Investigation.

The prosecution is being handled by Assistant District Attorney Karen Varriale, under the supervision of Assistant District Attorney Timothy Koller, Chief of the Supreme Court Bureau.