



Department of Investigation

Press Release

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Ex-Tenant's Group Chief Arrested For \$31K Theft & \$5K Welfare Fraud

THURSDAY, OCTOBER 5, 2000

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced the felony arrest of CYNTHIA HODGE, the former President of the 400 West 152 Street Tenants' Association (TA), for stealing over \$31,000 by unlawfully cashing 48 City Human Resources Administration (HRA) tenant rent checks, 74 Association checks, and 1 commercial tenant's rent check. She was also charged with fraudulently receiving nearly \$5,000 in public assistance.

According to Commissioner Kuriansky, HODGE was TA President from November 1995 to July 1997 at the City-owned, 12-unit building in upper Manhattan, which is part of the City Department of Housing Preservation and Development's (HPD) Tenant Interim Lease Program (TIL). The program requires TA officers to collect rents and deposit them in a TA bank account, pay for building maintenance with TA funds, and submit monthly financial reports to HPD. TA building management officers share a monthly fee -- 8 percent of the total rent roll -- for their services. Each TIL building is supervised by an HPD Building Coordinator.

Commissioner Kuriansky said the investigation began in August 1998 when HPD discovered apparent rent payment irregularities involving several of the building's tenants and notified DOI.

The investigation disclosed that HODGE, over a 27-month period from December 1995 through March 1998, illegally negotiated and kept the proceeds of 123 checks, totaling \$31,140. The checks included:

* 48 HRA tenant rent checks, each of which was made jointly payable to the TA and one of 6 named tenants, one of whom was HODGE herself, in amounts ranging from \$63 to \$210, and totaling \$7,296. A neighbor cashed some of the checks, for fees of \$15 and \$25, and returned the proceeds to HODGE. HODGE cashed the other checks herself at Tri-Star Check Cashing and Castle Check Cashing, both on St. Nicholas Avenue near West 152nd Street, and at Greenpoint Savings Bank and Fleet Bank branches nearby, and retained the proceeds.

* 61 TA checks, made out to HODGE, in amounts ranging from \$143 to \$1,270, and totaling \$19,549. HODGE negotiated the checks, which purportedly were for building maintenance or other building expenses, at Tri-Star Check Cashing and at Apple Savings Bank, Chase Manhattan Bank, and Greenpoint Savings Bank branches, and kept the proceeds.

* 13 TA checks, made out to another tenant, in amounts ranging from \$80 to \$170, and totaling \$3,384. The tenant, believing that the checks were for legitimate TA purposes, cashed them at Apple Savings Bank and Tri-Star Check Cashing, and returned the proceeds to HODGE.

* a \$1,000 rent check, from Nelly's Grocery Store, a commercial tenant in the building. The store owner rewrote the check, which she had made out to the TA, and made the check payable to HODGE, at her request, after HODGE told her that a nearby bank had refused to accept the check for deposit. A neighbor deposited the check in his bank account, and returned the proceeds to HODGE.

The investigation further revealed that HODGE, who had been on public assistance at the time, failed to disclose her additional income, in 1996 and 1997, on semi-annual HRA recertification reports for public and medical assistance and food stamps, thereby receiving welfare overpayments totaling \$4,980 from January 1996 through March 1998.

HODGE, 37, of 2460 Seventh Avenue in Manhattan, was charged with Grand Larceny in the Third Degree and Welfare Fraud in the Third Degree, both Class D felonies. If convicted, she faces up to 7 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to HPD Commissioner Jerilyn Perine and members of her staff for their assistance and cooperation in the investigation.

The investigation was conducted by Brian D. Foley, DOI's Inspector General for HPD, and members of his staff, including Deputy Inspector General Frank Florida and Associate Investigative Auditor Muriel M. Moses.

The Office of the New York County District Attorney Robert M. Morgenthau is prosecuting the case. Assistant District Attorney Joanne Siegmund is handling the matter.