



Department of Investigation *Press Release*

Release # 049-2001

TUESDAY, OCTOBER 30, 2001

COMPTROLLER'S OFFICE SEC'Y, NJ PERSONNEL EXEC & HOME DEPOT SALES CLERK CHARGED IN \$41K HOUSING FRAUD

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that 3 individuals--a New York City Comptroller's Office executive secretary, the vice president of operations for a New Jersey personnel management firm, and a former Home Depot sales associate--have been charged, in an indictment and in 2 separate criminal complaints, with stealing a total of \$41,089 in government housing benefits. The defendants allegedly lied about their employment or household income and thereby fraudulently received rent subsidies from the New York City Housing Authority (NYCHA).

Commissioner Kuriansky said, "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."

NYCHA manages 346 public housing developments providing shelter to over 535,000 tenants. In addition, NYCHA administers the Section 8 program, a federally-funded, leased-housing program which provides government rent subsidies to nearly 75,000 needy families living in privately-owned dwellings.

In the past 6 months, DOI's Inspector General for NYCHA has arrested a total of 27 residents, including the 3 individuals announced today, for stealing a total of over \$434,246 in government benefits by concealing their employment or actual household income from NYCHA, thereby fraudulently receiving subsidized housing benefits.

The recent arrests are part of an ongoing Citywide crackdown by DOI and local district attorneys, which has, since 1995, resulted in the arrest of 210 residents--including 70 City, State, and Federal employees--charged with stealing nearly \$4.2 million in rent and welfare subsidies by hiding their income and assets from the City. So far, 165 cases have resulted in conviction and over \$2.2 million in court-imposed restitution.

The 3 defendants charged today--a Section 8 tenant residing in a Coney Island apartment, and 2 public housing tenants residing at the Vladeck Houses on the Lower East Side and at the Clinton Houses in East Harlem--are accused of stealing, between March 1995 and August 2001, a total of \$41,089 in public housing rent subsidies, in amounts ranging from \$12,492 to \$15,865, by concealing their actual household income from NYCHA.

The City Comptroller's Office employee, KAREN MCNEILL, 35, has received Section 8 rent subsidies for a

SALES CLERK CHARGED IN \$41K HOUSING FRAUD

3-room apartment at 2850 West 24th Street in Brooklyn since 1988. Although MCNEILL has worked for the NYC Comptroller since 1994, she did not report her City employment to NYCHA until 1996, and had instead filed documents which falsely reported that she worked for a real estate company at a lower salary than her actual City salary. Since 1996, MCNEILL has filed affidavits which underreported her City income, and also submitted forged documents, purportedly completed by the Comptroller's Office, to support her false affidavits--thereby enabling her to fraudulently receive \$15,865 in NYCHA rent subsidies. Comptroller's Office payroll records show that MCNEILL, currently a \$35,000 a year executive secretary, earned City income between 1995 and 2000 ranging from \$24,500 to \$30,000. However, MCNEILL only reported income during these years ranging from \$11,746 to \$15,717. Between 1995 and 2000, MCNEILL's rent share for her apartment ranged from \$282 to \$420 a month, while NYCHA paid rent subsidies ranging from \$131 to \$246 a month. Based upon MCNEILL's actual income, she would not have been eligible for any Section 8 rent subsidies after April 1, 1997.

A personnel management company executive, ANGEL SANCHEZ, 55, the Vice President of Operations at Personnel Coordinators, Inc., of 1710 River Road in Fair Lawn, New Jersey, fraudulently listed his grandmother, from 1997 to 2000, as the sole tenant of record of a 5½-room apartment at NYCHA's Vladeck Houses, 662 Water Street in lower Manhattan, although she had died on February 15, 1997--thereby enabling his brother, the real occupant of the apartment, to fraudulently receive \$12,732 in NYCHA rent subsidies from 1997 to 2000. SANCHEZ concealed from NYCHA, between January 1997 and December 1999, the income his brother earned from employment with Inserra Supermarkets, Inc., where his brother worked from September 22, 1981, to May 2000. SANCHEZ falsely claimed that the household's income consisted solely of Supplemental Social Security Income (SSI) benefits, ranging from \$6,720 to \$6,972 a year, received by his deceased grandmother. However, Inserra's payroll records showed that his brother earned income, between 1997 and 2000, ranging from \$20,712 to \$22,101 a year.

As a result of SANCHEZ'S fraudulent claims on his brother's behalf, NYCHA--based on its mistaken belief that SANCHEZ'S grandmother was still alive, that she was the apartment's sole occupant, and that her sole source of income consisted of SSI benefits--paid a total of \$12,732 in rent subsidies to which neither SANCHEZ nor his brother was entitled. Between 1997 and 2000, the tenant rent share for the apartment ranged from \$161 to \$166 per month, while NYCHA paid subsidies ranging from \$315 to \$392 per month. In fact, because SANCHEZ'S brother was earning, between 1997 and 1999, income ranging from \$20,712 to \$22,101, he, as the apartment's true occupant, should have paid a rent share ranging from \$481 to \$553 a month.

A former Home Depot sales associate, ROSALIND DANIELS, 36, currently a resident of a 4-room apartment at NYCHA's Clinton Houses, at 1485 Park Avenue in East Harlem, was charged with concealing from NYCHA income she earned from December 1997 to December 1999--initially, from employment as a service desk clerk at BJ's, a warehouse retail outlet at 1050 Palisades Center Drive in West Nyack, New York, where she worked from December 1997 to June 1998, and, subsequently, from employment as a sales associate at Home Depot, a warehouse retail outlet at 2024 Palisades Mall, also in West Nyack, New York, where she worked from April 1998 to December 1999. Additionally, DANIELS failed to report to NYCHA: (1) the presence in the apartment of her husband, and the income he earned from his employment at Site Development, a contracting firm where he worked from June 1996 through December 1999, and at Carroll Small Repairs, a business he owns; (2) her husband's ownership of property at 14 Kennedy Drive in West Haverstraw (Rockland County), New York; and (3) the presence in the apartment of her mother, and the income her mother earned from City employment as a principal administrative associate for the Human Resources Administration (HRA). Moreover, DANIELS falsely claimed, in 1996 and 1997, that her household consisted only of herself and her son, and that her household income derived solely from public assistance.

SALES CLERK CHARGED IN \$41K HOUSING FRAUD

All these omissions of fact and false claims enabled DANIELS to illegally obtain \$12,492 in NYCHA rent subsidies from November 1996 to December 1999. Moreover, City records indicated that DANIELS did not ever receive public assistance during this time period. In 1998 and 1999, DANIELS reported to NYCHA that she worked for Carroll Small Repairs, earning between \$5 and \$6 an hour. The investigation revealed that DANIELS' combined household income, which she failed to accurately report to NYCHA, ranged from \$19,422 to \$72,615 a year from 1996 to 1999. During that same time period, DANIELS' rent share for the apartment ranged from \$183 to \$352 a month, while NYCHA paid rent subsidies ranging from \$143 to \$312 a month. In fact, DANIELS should have paid a rent share of \$486 to \$495 a month, the maximum rent for an apartment of that size.

MCNEILL has been indicted on charges of Grand Larceny in the Third Degree, Criminal Possession of a Forged Instrument in the Second Degree, and Forgery in the Second Degree, all Class D felonies, and Offering a False Instrument for Filing in the First Degree, a Class E felony. SANCHEZ has been charged with Criminal Possession of a Forged Instrument in the Second Degree and Grand Larceny in the Third Degree, both Class D felonies, and Offering a False Instrument for Filing in the First Degree, a Class E felony. DANIELS has been charged with 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. If convicted, each defendant faces up to 7 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to NYCHA's Borough Management and Leased Housing Departments, and to City Comptroller Alan G. Hevesi and members of his staff for their assistance and cooperation 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 Inspector General Kevin R. Smith and Confidential Investigator Christopher France.

The Office of Manhattan District Attorney Robert M. Morgenthau is prosecuting the cases. Assistant District Attorneys Angela Mastandrea-Miller and Chad Sjoquist, under the supervision of Assistant District Attorney Gary Fishman, of the DA's Welfare Fraud Unit, are handling the matters.

DEFENDANT INFORMATION:

1. Rosalind Daniels, of Manhattan (\$12,492 in rent subsidies)
2. Karen McNeill, of Brooklyn (\$15,865 in rent subsidies)
3. Angel Sanchez, of Warwick, New York (\$12,732 in rent subsidies)