



Department of Investigation

Press Release

Release 062-99

DOI ARRESTS BROOKLYN TENANT GROUP PRESIDENT FOR \$11,000 WELFARE FRAUD & EMBEZZLEMENT

THURSDAY, DECEMBER 2, 1999 -- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced the arrest of LUCY VASQUEZ, a welfare recipient and former president of the 128 29th Street Tenants Association in Brooklyn, for stealing more than \$4,300 in welfare benefits and nearly \$7,000 from the Association's checking account.

The 128 29th Street Tenants Association participates in the New York City Department of Housing Preservation and Development's (HPD) Tenant Interim Lease Program (TIL). Under the TIL program, tenants, whose buildings have been abandoned by landlords and taken over by the City for tax arrears, pay their monthly rent to their Association, which deposits the money into an HPD operating account established for the individual premises. The Association, in turn, uses this account to write checks to pay the building's maintenance and operating expenses. In addition, Association officers involved in the management of their building receive 8% of the rents collected as remuneration for their services. Each TIL building is supervised by an HPD Building Coordinator, and each month the Association submits a financial statement to HPD. Ultimately, TIL program tenants are given the opportunity to purchase their buildings and become shareholders in fully renovated low-income cooperatives.

DOI commenced an investigation in March 1999, when the Director of HPD's TIL program reported that a review of the 128 29th Street Tenants Association's monthly reports showed certain questionable payments to VASQUEZ.

According to Commissioner Kuriansky, a DOI audit of the Association's financial records disclosed that VASQUEZ had embezzled \$6,684 from the Association by illegally writing 29 checks, payable to herself, which she then cashed at the bank where the Association maintained its account. VASQUEZ allegedly recorded the checks in the Association's check register as payments to herself or, in some cases, simply failed to indicate the payees' names or the purpose of the checks. Further, it is alleged that VASQUEZ, who is a welfare recipient, fraudulently received \$4,337 in overpayments from the City's Human Resources Administration by failing to report as additional income either the \$6,684 she had taken or the \$951 she received as Association president for helping manage the building.

LUCY VASQUEZ, 40, of Brooklyn, was president of the 128 29th Street Tenants Association from June 1998 through January 1999. She was charged with the felony crimes of Grand Larceny in the Third Degree, Falsifying Business Records in the First Degree, Welfare Fraud in the Third Degree, and Offering a False Instrument for Filing in the First Degree. If convicted, she faces up to 7 years in prison.

DOI ARRESTS BROOKLYN TENANT GROUP PRESIDENT FOR \$11,000 WELFARE FRAUD EMBEZZLEMENT

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 Kings County District Attorney Charles J. Hynes is prosecuting the case. Assistant District Attorney Ellen A. Burach is handling the matter.