



The City of New York
Department of Investigation

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**DOI ARRESTS CITY CORRECTION OFFICER ON CHARGES OF STEALING
APPROXIMATELY \$30,662 IN SECTION 8 SUBSIDIES FROM THE CITY HOUSING AUTHORITY**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrest of MARGARETH BLANC, a Correction Officer with the City Department of Correction ("DOC"), on charges of stealing approximately \$30,662 in Section 8 rent subsidies issued by the New York City Housing Authority ("NYCHA"). DOI initiated its investigation after being notified that the former listed owner of the Brooklyn house where BLANC resides had been told she owed taxes on Section 8 subsidies that she never received. The office of Kings County District Attorney Charles J. Hynes is prosecuting the case.

BLANC, 47, of Brooklyn's Canarsie neighborhood, has been charged with Grand Larceny in the Third Degree, a class D felony. Upon conviction, a class D felony is punishable by up to seven years in prison.

BLANC has been employed with DOC since February 2004, is assigned to Anna M. Kross Center on Riker's Island and receives an annual base salary of approximately \$73,546. BLANC was suspended today as a result of the arrest.

DOI Commissioner Rose Gill Hearn said, "This City employee pursued an elaborate scheme to defraud the City housing authority of tens of thousands of dollars, according to the complaint. Even more disappointing is that a law enforcement officer is charged with conduct so starkly at odds with her obligation to uphold the law."

In NYCHA's Section 8 program, a rental subsidy is paid directly to the landlord and the participating tenant pays the difference between the actual rent and the Section 8 subsidy.

According to the criminal complaint, in October 2002, NYCHA received a Section 8 contract purportedly signed by the listed owner of the house where BLANC resides, under which the owner would receive public rental subsidies for BLANC's apartment. However, DOI's investigation found that the listed owner neither signed the contract nor received any of the approximately \$25,686 in Section 8 payments issued by NYCHA between January 2003 and March 2005. Instead, those checks were intercepted and stolen by BLANC. The investigation also showed that between 2001 and 2004, BLANC's sister was the undisclosed owner of the property and became the owner of record in 2004. The investigation found that neither BLANC nor her sister, whose last name is different than BLANC's, informed NYCHA of their familial relationship as required by Section 8 regulations, and had the relationship been disclosed NYCHA would not have subsidized the defendant's rent. As a result, between August 2005 and May 2006, BLANC fraudulently obtained approximately \$4,976 in additional Section 8 subsidies.

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Commissioner Gill Hearn thanked NYCHA Chairman John B. Rhea, DOC Commissioner Dora B. Schriro, and Kings County District Attorney Charles J. Hynes, and their staffs, for their assistance in this investigation.

This investigation was conducted by DOI's Acting Inspector General for NYCHA Kelvin Jeremiah, and members of his staff, including Senior Deputy Inspector General Ralph Iannuzzi, Deputy Inspector General Anthony Capek, and with the assistance of DOI's Office of the Inspector General for DOC.

Assistant District Attorney Stephanie B. Cone from the Kings County District Attorney's Office has been assigned to prosecute the case.

A criminal complaint is an accusation. A defendant is presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.

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