



The City of New York
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DOI ARRESTS THREE INDIVIDUALS, IN SEPARATE CASES, ON HOUSING FRAUD CHARGES

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI") announced today the arrests of three individuals on separate charges of housing fraud:

- MARGARITA VEGA, a Queens homeowner who also rented a Manhattan apartment in a New York City Housing Authority ("NYCHA") development, was charged with falsely reporting that she was residing in the NYCHA apartment and with concealing her ownership and occupancy of her \$570,000 house in Queens;
- ANDERSON McALLISTER, a Bronx resident, was charged with concealing income from a second job and submitting a forged employment-termination letter in an unsuccessful attempt to acquire a subsidized low-income apartment sponsored by the City Housing Development Corporation ("HDC"); and
- KEISHA CLYDE, a Queens resident, was charged with concealing income and defrauding NYCHA of \$28,368 in Section 8 rental subsidies on her former apartment in Brooklyn.

The office of Preet Bharara, the U.S. Attorney for the Southern District of New York, is prosecuting VEGA, who was arrested on Tuesday, December 15, 2009; the office of New York County District Attorney Robert M. Morgenthau is prosecuting McALLISTER, who was arrested on Wednesday, December 16, 2009; and the office of Kings County District Attorney Charles J. Hynes is prosecuting CLYDE, who was arrested today, Friday, December 18, 2009.

DOI Commissioner Rose Gill Hearn said, "With housing assistance programs stretched to their limits, the City can ill afford to subsidize cheaters. Housing fraud wastes scarce resources and hurts eligible families and taxpayers. These arrests signify DOI's and the City's continuing commitment, with federal and local prosecutors, to protect these programs from criminal abuse."

The following describes the charges against each of the defendants:

- VEGA, 41, of South Ozone Park, Queens, was charged with violating 18 USC § 1001, False Statements in a Matter within the Jurisdiction of the U.S. Government. Upon conviction, this federal offense is punishable by to five years in prison.

According to the criminal complaint, between December 2001 and October 2009, VEGA was listed as the tenant of record in a NYCHA development in Manhattan subsidized by the U.S. Department of Housing and Urban Development ("HUD"). The investigation found that VEGA filed annual Affidavits of Income reporting she resided in her NYCHA apartment with her children and that no one living in the apartment had any interest in real estate. DOI's investigation found that VEGA failed to report that in 2004 she and another person purchased a Queens home for \$570,000; that VEGA had 90% ownership interest in the home; and that VEGA resided in the home since March 2007.

The investigation was conducted by DOI's Acting Inspector General for NYCHA, Kelvin Jeremiah, and members of his staff, including Deputy Inspector General Osa Omoigui, First Assistant Inspector General Rosemary Caruso, and Confidential Investigator Samuel Polland.

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Assistant United States Attorney Niketh Velamoor of the U.S. Attorney's Office for the Southern District of New York has been assigned to the prosecution of the case.

- McALLISTER, 46, of the Bronx, was charged with Criminal Possession of a Forged Instrument in the Second Degree, a class D felony, and Offering a False Instrument for Filing in the First Degree, a class E felony. Upon conviction, a class D felony is punishable by up to seven years in prison, and a class E felony is punishable by up to four years in prison.

According to the criminal complaint, in September 2009, McALLISTER submitted to HDC a certification form for a low-income apartment sponsored by HDC, falsely certifying that his annual household income was less than the maximum eligibility limit of \$38,040. DOI's investigation found that to conceal his income and employment status, McALLISTER also submitted a forged letter, purportedly from his employer, falsely stating that his employment had been terminated in October 2008, when in fact he was still employed and had worked continuously for the employer since 2007.

The investigation was conducted by DOI's Inspector General for HDC.

Assistant District Attorney Brigid Harrington of the New York County District Attorney's Office is prosecuting the case.

- CLYDE, 34, of Queens, was charged with Grand Larceny in the Third Degree and three counts of Criminal Possession of a Forged Instrument in the Second Degree, all class D felonies, and four counts each of Offering a False Instrument for Filing in the First Degree and Falsifying Business Records in the First Degree, class E felonies.

According to the criminal complaint, between 2004 and 2008 CLYDE received Section 8 subsidies administered by NYCHA for a private apartment in the Brownsville section of Brooklyn. Her rent was determined, in part, by the employment and income that she reported to NYCHA. DOI's investigation found that CLYDE failed to report her income from two jobs in community-based programs with income ranging from \$29,559 to \$39,823. As a result of those misrepresentations, between 2004 and 2008, CLYDE defrauded NYCHA of approximately \$28,368.

The investigation was conducted by NYCHA's Acting Inspector General Kelvin Jeremiah and members of his staff, including Deputy Inspector General Anthony Capek and Chief Investigator J. Graham Forbes.

The office of Kings County District Attorney Charles J. Hynes is prosecuting the case.

DOI Commissioner Rose Gill Hearn thanked NYCHA Chairman John B. Rhea, HDC President Marc Jahr, U.S. Attorney for the Southern District of New York Preet Bharara, Kings County District Attorney Charles J. Hynes, and New York County District Attorney Robert M. Morgenthau, and their staffs, for their assistance in these investigations.

Criminal complaints are accusations. Defendants are 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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