



The City of New York
Department of Investigation
ROSE GILL HEARN
COMMISSIONER

80 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

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CONTACT: DIANE STRUZZI
(212) 825-5931

**DOI STATEMENT ON SENTENCING OF NONPROFIT DIRECTOR TO 10 MONTHS IN PRISON
FOR EMBEZZLING OVER \$50,000 IN PUBLIC FUNDS**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement on today's sentencing of MARGARITA VILLEGAS to 10 months in prison and three years supervised release for embezzling over \$50,000 from SBCC Management Corp., a not-for-profit corporation that receives federal and City housing assistance funds through two residential buildings in the Bronx for low-income, disabled and elderly tenants. VILLEGAS was sentenced in U.S. District Court in Manhattan by U.S. District Judge Alvin K. Hellerstein. VILLEGAS was ordered to pay restitution in the amount of \$54,414.83. The office of Preet Bharara, United States Attorney for the Southern District of New York, prosecuted the case.

DOI Commissioner Rose Gill Hearn said, "Rather than protect her nonprofit and the disadvantaged tenants it was supposed to serve, Margarita Villegas stole more than \$50,000 in public funds to buy personal luxuries. She chose to enrich herself over her duty as nonprofit director. This prison sentence is the price for that betrayal of trust. I thank the U.S. Attorney's Office of the Southern District of New York for working with DOI to root out corruption at the City's nonprofits."

Richard Izquierdo Arroyo, VILLEGAS' co-defendant, is scheduled to be sentenced on June 25, 2010.

Commissioner Gill Hearn thanked Preet Bharara, U.S. Attorney for the Southern District of New York, and his staff, for their assistance and prosecution of this case.

Assistant U.S. Attorneys Rua M. Kelly and Michael S. Bosworth are assigned to the prosecution of this case. Investigator Robert W. Ryan of the U.S. Attorney's Office assisted in the investigation.

The DOI investigation was conducted by Associate Commissioner Yuval Hibshoosh, Assistant Commissioner Paul Balukas, Examining Attorney Robyn Pullio, Senior Investigative Auditor Helen Gromadsky, and Confidential Investigator Lisa A. McLain.

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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