



The City of New York  
Department of Investigation

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**DOI ARRESTS THREE TENANTS ON HOUSING FRAUD CHARGES**  
**- Charged thefts through frauds on NYCHA exceed \$54,000 -**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today the arrest of New York City Housing Authority (NYCHA) Section 8 recipients SANDRA JIMENEZ and MICHELLE WALCOTT and Douglass Houses tenant GLADYS REYES (a.k.a. Braulia Reyes), for concealing household income to obtain federally-funded housing benefits to which they were not entitled. The Office of the United States Attorney for the Southern District of New York is prosecuting the cases in Manhattan federal court.

JIMENEZ, WALCOTT and REYES, have each been charged with Theft of Government Funds. REYES was also charged with Social Security Fraud for obtaining and using a social security number based on false information. If convicted, each faces up to ten years in prison.

DOI Commissioner Rose Gill Hearn said, "Concealing income to steal publicly-funded housing benefits is a crime that hurts taxpayers and the City's low-income families who truly need the help. It is also a foolish way to defray one's living expenses, because the consequences are severe, and the paper trail is there for us to find. DOI and our federal law enforcement colleagues are intent on deterring anyone contemplating this kind of fraud."

SANDRA JIMENEZ, 46, a Section 8 recipient residing in a Manhattan apartment, was found by DOI investigators to have received annual income of between \$41,348 and \$49,804 from bank employment between 2002 and 2008 while she also obtained Section 8 rent subsidies, paid directly to her landlord, by falsely reporting that her income ranged from only \$20,200 to \$23,114, from a health care co-op, which had no record of employing her. According to the criminal complaint, JIMENEZ defrauded NYCHA of \$27,917 in Section 8 rental subsidies based on her false statements.

MICHELLE WALCOTT, 36, a Section 8 recipient residing in a Brooklyn apartment, was charged with defrauding NYCHA of \$26,736 in Section 8 rental subsidies from July 1, 2007 through February 28, 2009 by failing to report that her husband, a Metropolitan Transportation Authority bus driver whose 2007 income exceeded \$60,000, resided in the Section 8 apartment with her.

GLADYS REYES, 63, the tenant of record of an apartment located in NYCHA's Douglass Houses on the Upper West Side of Manhattan, was charged with defrauding NYCHA of an unspecified sum of housing subsidies exceeding \$1,000 from at least May 2004 through September 2007 and with fraudulently obtaining

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and using a Social Security number based on false information. DOI's investigation revealed that REYES had used that Social Security number to collect income from employment that she concealed from NYCHA, which resulted in her paying less rent for her NYCHA apartment than she should have been charged.

Commissioner Rose Gill Hearn thanked Lev L. Dassin, Acting United States Attorney for the Southern District of New York, the Social Security Administration's Office of the Inspector General, and the United States Department of Housing and Urban Development's Office of the Inspector General for their assistance.

Commissioner Rose Gill Hearn thanked John B. Rhea, NYCHA Chairman, for his agency's assistance.

These investigations were conducted by DOI's Acting Inspector General for NYCHA, Kelvin Jeremiah, and members of his staff, including Deputy Inspector General Anthony Capek, Assistant Inspector General Robin Jacknow, Special Investigator J. Graham Forbes, and Confidential Investigator Martin Lintner.

Criminal charges 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.*

**Get the worms out of the Big Apple.  
To report someone ripping off the City, call DOI at (212) 825-5959.**