



The City of New York
Department of Investigation

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DOI ARRESTS HUSBAND AND WIFE FOR \$31,000 SECTION 8 THEFT
Posed as landlord and tenant while living together - wife bought a second house

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today the arrest of ARNOLD DOW and his wife, DENISE REID, for defrauding the New York City Housing Authority (NYCHA) of more than \$31,000.

DOW, 54, and REID, 33, have been charged with violating 18 USC §§ 641 and 2, Embezzlement and Theft of Public Money. If convicted, each faces up to ten years in prison.

DOI Commissioner Rose Gill Hearn said, "These defendants are charged with looting NYCHA's Section 8 Housing Assistance Program by pretending to be a landlord renting to a tenant subsisting on public assistance, when, instead, they each owned a house and lived together in a subsidized apartment. The \$31,000 in taxpayer-funded Section 8 rent subsidies that they are charged with stealing should have gone to someone truly eligible and in need. DOI will seek to recover all that was stolen."

DOI's investigation found that, in August 2000, DOW purchased a house at 145-42 106th Avenue Jamaica, Queens. Witnesses informed DOI that when DOW purchased the house, he and REID moved into Apartment 2 and apparently lived there together. Within one month, as of September 1, 2000, and through March 1, 2004, NYCHA paid monthly rent subsidies directly to DOW for REID, based on false statements and omissions by both DOW, as landlord, and REID, as the supposedly sole tenant, with her daughter, of the apartment. The complaint filed in the United States District Court in Manhattan charges that in various documents filed with NYCHA throughout three and a-half years, DOW and REID misrepresented, affirmatively and by omission, numerous material facts, including, among other things, the people living in the subsidized apartment and REID's employment income. Among the facts the defendants are charged with concealing are their marriage in October 2002, and REID's purchase in February 2003 of a second house at 155-13 116th Avenue Jamaica, Queens with a mortgage of \$251,050.

The fraudulent actions by DOW and REID caused NYCHA to be defrauded of \$31,157 from September 1, 2001 through March 1, 2004, it is charged.

These arrests are part of an ongoing City-wide crackdown by DOI and New York area prosecutors that has resulted since 1995 in the arrest of 445 residents, including 142 City, State and Federal employees, who have been charged with stealing more than \$8.8 million in rent and welfare subsidies by hiding their income and assets from the City. So far, 335 cases have resulted in convictions and nearly \$4.7 million in court-imposed restitution. Since January 2006, 36 individuals have been arrested for illegally receiving nearly \$667,000 in government housing benefits.

This investigation was conducted by DOI's Inspector General for NYCHA, Judith F. Abruzzo, and members of her staff, including Deputy Inspector General Kevin R. Smith and Special Investigator Patricia Carvajal. The Office of the Inspector General for the United States Department of Housing and Urban Development, under the supervision of Special Agent in Charge Ruth Ritzema, assisted in the arrests. The cases are being prosecuted by the Office of Michael J. Garcia,

United States Attorney for the Southern District of New York. Assistant United States Attorney Avi Weitzman is assigned to the prosecution.

Criminal complaints are accusations. Defendants are presumed innocent until proven guilty.

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