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FORMER NYC HOUSING AUTHORITY EMPLOYEE
SENTENCED TO A YEAR AND A DAY IN PRISON FOR THEFT
CONCERNING A FEDERALLY FUNDED PROGRAM

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation, announced that CHARLES W. BROWN, a former Property Manager with the New York City Housing Authority's ("NYCHA") Department of Facility Planning, was sentenced today in Manhattan federal court to a year and a day in prison for conspiracy and theft concerning a federally funded program.

On May 13, 2004, BROWN pled guilty to a two-count Indictment charging him with conspiracy and with theft concerning a federally funded program. Co-defendant Robert R. Williams, a former employee of a Harlem real estate firm, pled guilty to the same charges, contained in a Superseding Information (the "Information"), on April 20, 2004. According to the Indictment

and the Information, from about March 2000 through about June 2002, BROWN, with the assistance of Williams, leased city-owned property managed by NYCHA to five Harlem shopkeepers (the "Shopkeepers") and kept the Shopkeepers' monthly rental payments for themselves.

According to the Indictment and Information, beginning in late 1999 or early 2000, a shopkeeper who was interested in obtaining a lease to open a variety store was introduced to Williams. Williams eventually offered to lease the shopkeeper space in a building managed by NYCHA, located at 645 Lenox Avenue, in Manhattan ("the Shop"), the Indictment and Information charge. Williams thereafter provided the shopkeeper with a purportedly legitimate five-year lease for the property from NYCHA, the Indictment and Information charge. The lease, however, unlike legitimately issued NYCHA leases, was signed only by the Shopkeeper, the Indictment and Information charge, not by any official from NYCHA, as required by NYCHA. BROWN and Williams together thereafter leased four additional city-owned spaces to four more Shopkeepers and began receiving the monthly rents that should have been paid to NYCHA.

According to the Indictment and Information, the property containing the five Shops remained on NYCHA's inventory of property list, which lists all vacant, city-owned property in public housing developments, after the start dates of the respective leases and remain on the property list at present,

although the Shopkeepers have occupied their respective properties continuously beginning in either 2000 or 2001.

Although the Shopkeepers initially made their rent payments to Williams, in about June 2002, BROWN directed the Shopkeepers to stop paying Williams, and instead to pay their rent directly to BROWN, the Indictment charges. Thereafter, until about September 2002, BROWN alone continued the improper scheme. As a result, between about March 2000 and about September 2002, the scheme netted almost \$80,000, funds that rightfully should have been paid to NYCHA.

WILLIAMS is scheduled to be sentenced by United States District Judge GEORGE B. DANIELS on September 29, 2004.

Mr. KELLEY praised the investigative efforts of the New York City Department of Investigation, and thanked the United States Postal Inspection Service and the United States Department of Housing and Urban Development's Office of Inspector General for their assistance in this case.

Assistant United States Attorneys RONNIE ABRAMS and MARGARET A. CIEPRISZ are in charge of the prosecution.

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