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Department of Investigation

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DOI ARRESTS NYCHA CARETAKER AND ACCUSED ACCOMPLICE ON GRAND LARCENY CHARGES

The New York City Department of Investigation ("DOI") announced that its investigation has resulted in the arrest of a New York City Housing Authority ("NYCHA") Caretaker and her accused accomplice on charges that they defrauded four individuals of a total of \$14,800 by fraudulently promising to obtain public housing apartments for them. The investigation found the defendants never provided and had no authority or ability to provide these apartments. The office of New York County District Attorney Cyrus R. Vance, Jr., is prosecuting the case.

MAGNOLIA DIAZ, 49, of Manhattan, N.Y., was arrested and charged late Wednesday, January 15, 2014, with Grand Larceny in the Third Degree, a class D felony, and Grand Larceny in the Fourth Degree and Scheme to Defraud in the First Degree, each class E felonies.

BENARBE PEREZ, 41 of Bronx, N.Y., was arrested and charged late Wednesday, January 15, 2014, with Grand Larceny in the Third Degree, a class D felony, and Grand Larceny in the Fourth Degree and Scheme to Defraud in the First Degree, each class E felonies.

Upon conviction, a class D felony is punishable by up to seven years in prison, and a class E felony is punishable up to four years in jail.

DIAZ, a Caretaker, began her employment with NYCHA in October 1997 and is currently assigned to Brooklyn Community Operations, where she receives an annual salary of approximately \$40,019. PEREZ is not a NYCHA employee.

According to the criminal complaint, four individuals paid a total of \$15,800 to the defendants in exchange, in each instance, for the promise of a NYCHA apartment; however, the individuals never received the promised apartments and the defendants kept \$14,800 of that money. The facts as alleged in the criminal complaint include:

- In January 2012, DIAZ approached one individual with the promise of a transfer to another NYCHA housing complex if the individual paid the defendants \$5,000, which the individual did. PEREZ represented to the individual that he could expedite the process, misrepresenting that he worked for NYCHA. The individual did not receive the apartment and the defendants did not return the individual's money.
- Sometime in March or April 2012, PEREZ promised an apartment to an individual in exchange for \$2,800, which the individual paid. PEREZ told the individual not to mention the payment to anyone at NYCHA or that the individual was working with PEREZ. The individual did not receive the apartment and PEREZ returned \$1,000 of the \$2,800 to the individual.

- In the summer of 2012, the defendants promised to obtain a NYCHA apartment for an individual in exchange for \$5,000, which the individual paid. The individual did not receive the apartment and the defendants did not return the individual's money.
- Sometime in September or October 2012, DIAZ met with another individual, told the individual she could obtain a NYCHA apartment within a month in exchange for \$3,000, which the individual paid. DIAZ told the individual that PEREZ worked for her and PEREZ indicated he worked for NYCHA. The individual did not receive the apartment and the individual's money was not returned.

The investigation also found as alleged in the complaint that while DIAZ is a NYCHA Caretaker DIAZ does not have the permission or authority to take anyone's money as part of her NYCHA duties, nor does she have any authority to promise to obtain a NYCHA apartment for anyone. PEREZ is not a NYCHA employee and does not have permission or authority to take anyone's money or to obtain a NYCHA apartment.

Acting DOI Commissioner Victor Olds thanks New York County District Attorney Cyrus R. Vance, Jr., and Kyle Kimball, Vice-Chair of the NYCHA Board, and their staffs, for their assistance in this investigation.

The investigation was conducted by DOI's Office of the Inspector General for NYCHA.

Assistant District Attorney Jonathan Gross of the New York County District Attorney's Office is prosecuting the case.

A criminal complaint is an accusation. 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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