



The City of New York  
Department of Investigation

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**DOI ARRESTS TWO FORMER OFFICERS OF A BRONX TENANTS' ASSOCIATION  
CHARGED WITH STEALING THOUSANDS FROM CITY-OWNED BUILDING'S BANK ACCOUNT**  
***--One of the defendants was convicted previously on similar charge involving same building--***

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrests of the former president and former secretary of a Bronx Tenants Association ("TA"), charged with stealing thousands in rent that should have been used for their building's upkeep. DOI's investigation revealed that more than \$30,000 was removed from the building's bank account and was used to pay individuals' credit card, cable, cell phone, and utility bills. Under the City's Tenant Interim Lease Program ("TIL") administered by the City Department of Housing Preservation and Development ("HPD"), the TA was supposed to manage the City-owned building at 783 East 168<sup>th</sup> Street and prepare to operate it as a tenant-owned cooperative. The former president is also charged with concealing the theft by submitting to HPD two altered bank statements and 12 false monthly financial reports.

The defendants, a mother and daughter, were arrested today on an indictment obtained by the office of Bronx County District Attorney Robert T. Johnson, which is prosecuting the case. DOI's investigation began after HPD officials reported suspected misuse of the building's funds.

DOI Commissioner Rose Gill Hearn said, "This program is supposed to give low-income tenants a stake in home ownership, but these defendants are charged with turning it into a personal piggy bank. Individuals who steal from the City's affordable-housing programs will face arrest, criminal prosecution, and possible prison sentences. DOI will continue to work with District Attorney Johnson to ensure that these programs and their sorely needed public resources are protected from criminal opportunism and abuse."

TWANA ROSE, 38, and ARLETHA MIDDLETON, 64, both of the Bronx, have been charged with Grand Larceny in the Third Degree, a class D felony. MIDDLETON is additionally charged with 14 counts of Falsifying Business Records in the First Degree and 11 counts of Offering a False Instrument for Filing in the First Degree, 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 by up to four years in prison.

The TIL program offers tenants who live in City-owned buildings an opportunity to manage and eventually buy their apartment from the City and operate the building as a low-income cooperative. The program requires that tenants elect officers and create a TA, which collects rents and deposits them in a TA bank account to pay for items such as building maintenance. TAs must submit monthly financial reports to HPD. There are approximately 200 buildings in HPD's TIL program, and TIL buildings are assigned financial coordinators and building coordinators.

DOI's investigation found that between January 2005 and July 2006, the defendants acted in concert to take more than \$30,000 from the TA bank account. The investigation found the money was used to pay for non-building related bills and that MIDDLETON submitted to HPD two altered bank statements and 12 monthly financial reports that omitted information regarding these disbursements from the TA bank account.

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MIDDLETON is the former president of the TA at 783 E. 168<sup>th</sup> Street, an eight-unit building that entered the TIL program in April 2000 and was subsequently removed from the TIL program in 2008 due to financial mismanagement. MIDDLETON was the president of the TA during the duration of the building's participation in the program. ROSE, MIDDLETON's daughter, was a former TA secretary who resigned from the position in April 2001, two months prior to her arrest on a charge of stealing over \$7,000 by unlawfully cashing 16 TA checks and retaining the proceeds. ROSE pleaded guilty to Grand Larceny in the Third Degree in July 2001 and was sentenced to five years probation. DOI's press release on this case can be found at the following link:  
<http://www.nyc.gov/html/doi/downloads/pdf/pr062101.pdf>.

DOI Commissioner Gill Hearn thanked Bronx County District Attorney Robert T. Johnson and HPD Commissioner Rafael E. Cestero and their staffs for their assistance in this investigation.

The investigation was conducted by DOI's Office of Inspector General for HPD, in particular Investigator Ghenaida Slack under the supervision of Assistant Inspector General Ondie Frederick and Inspector General Peter Zanolin.

Assistant District Attorney Leslie Sturm of the Bronx County District Attorney's Office is assigned to the prosecution of the case.

An indictment 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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