



The City of New York  
Department of Investigation  
ROSE GILL HEARN  
COMMISSIONER

80 MAIDEN LANE  
NEW YORK, NY 10038  
212-825-5900

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**FOR IMMEDIATE RELEASE**  
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**CONTACT: DIANE STRUZZI**  
**(212) 825-5931**

**DOI ARRESTS TWO INDIVIDUALS, IN SEPARATE CASES, ON CHARGES OF DEFRAUDING  
THE NEW YORK CITY HOUSING AUTHORITY OF MORE THAN \$64,000**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced the arrests, in separate cases, of a New York City Housing Authority ("NYCHA") tenant and a former NYCHA Section 8 recipient for concealing household income and misrepresenting other information to fraudulently obtain a combined total of approximately \$64,572 in housing benefits. As a result of an investigation by the City Human Resources Administration's ("HRA's") Bureau of Fraud Investigation, the former Section 8 recipient is also charged with defrauding HRA of approximately \$9,040 in public benefits.

DOI Commissioner Rose Gill Hearn said, "Stealing housing funds and public benefits is a no-win scheme. The concerted efforts of several City agencies and federal and local prosecutors shut down fraudsters who are now charged with siphoning precious subsidies from the limited pool available for eligible people. This type of fraud will only end in arrest and prosecution."

JULIENNE SIALEU, 50, a resident of a NYCHA public housing development in Brooklyn, was arrested Tuesday, January 5, 2010, and charged with the federal offenses of Theft of Government Funds and five counts of False Statements. Upon conviction, Theft of Government Funds is punishable by up to ten years in prison and False Statements is punishable by up to five years in prison. The office of Preet Bharara, U.S. Attorney for the Southern District of New York, is prosecuting the case. DOI's investigation began after it was notified by the New York City Police Department ("NYPD") that SIALEU owned a Brooklyn property.

CARMEN LOPEZ, 47, of the Bronx, a former recipient of Section 8 benefits from NYCHA, was arrested Tuesday, January 5, 2010, and charged with two counts each of Grand Larceny in the Third Degree, Criminal Possession of Stolen Property in the Third Degree and Welfare Fraud in the Third Degree, class D felonies, and five counts of Offering a False Instrument for Filing in the First Degree, a class E felony. 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 office of Bronx County District Attorney Robert T. Johnson is prosecuting the case. DOI's investigation began after it was notified by the Bronx District Attorney's Office and HRA's Bureau of Fraud Investigation about irregularities in LOPEZ's public assistance filings.

According to the criminal complaints:

- SIALEU was a tenant of a NYCHA public housing development in Brooklyn from at least April 1999 to December 2009. NYCHA administers this housing program for the United States Department of Housing and Urban Development. SIALEU was required to annually report to NYCHA her household composition and income. DOI's investigation found that SIALEU failed to report to NYCHA: that in 1998 she purchased a residential property on Union Street in

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Brooklyn for \$155,000, and in 2006 she became a joint tenant on a Flatbush Avenue property in Brooklyn that had been purchased for \$550,000 by her son; that between 2004 and 2007, SIALEU earned income of between \$10,214 and \$17,200 for providing hairstyling services; and that her son, who was employed by the NYPD, lived with SIALEU in the NYCHA development between 2006 and 2008 and earned income of between \$31,127 and \$53,250. As a result of these misrepresentations, between 2002 and 2009, SIALEU defrauded NYCHA of more than \$36,000.

- LOPEZ received Section 8 benefits from NYCHA between April 2004 and April 2007. In NYCHA's Section 8 housing program, NYCHA subsidizes a participant's rent by making payments directly to a participant's landlord. These payments are determined based on annual representations reported to NYCHA by the participant. DOI's investigation found that LOPEZ moved out of her Section 8-subsidized apartment in the Bronx but continued to file Affidavits of Income to NYCHA in 2005 and 2006 claiming that she lived there. During that same time period, LOPEZ participated in the public assistance and food stamp program through HRA and in her annual certification submission to HRA LOPEZ failed to report the presence and annual income of her husband. As a result of these misrepresentations, between 2004 and 2007, LOPEZ received approximately \$28,572 in Section 8 benefits from NYCHA, and approximately \$9,040 in public assistance and food stamps from HRA, which she was not entitled to receive.

Commissioner Gill Hearn thanked NYCHA Chairman John B. Rhea; HRA Commissioner Robert Doar; NYPD Commissioner Raymond W. Kelly; Preet Bharara, U.S. Attorney for the Southern District of New York; and Bronx District Attorney Robert T. Johnson and their staffs for their assistance in this investigation.

These investigations were conducted by DOI's Acting Inspector General for NYCHA Kelvin Jeremiah and members of his staff, including Deputy Inspectors General Anthony Capek and Osa Omoigui, First Assistant Inspector General Rosemary Caruso, Assistant Inspector General Robin Jacknow, Confidential Investigator Martin Lintner and Special Investigator Thomas Kaleda.

Assistant U.S. Attorney Justin Anderson of the U.S. Attorney's Office for the Southern District of New York is assigned to prosecute the SIALEU case.

Assistant District Attorney Graham Van Epps of the Bronx County District Attorney's Office is assigned to prosecute the LOPEZ case.

Criminal complaints are merely 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.*

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