



The City of New York
Department of Investigation

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**DOI ARRESTS 20 SO FAR THIS YEAR IN CHARGED HOUSING FRAUDS EXCEEDING \$500,000
SIX INDIVIDUALS CHARGED THIS WEEK WITH DEFRAUDING CITY HOUSING PROGRAMS**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today that 20 individuals have been arrested so far in 2011 on charges of defrauding the New York City Housing Authority ("NYCHA") and the City Department of Housing Preservation and Development ("HPD") of more than \$540,175. Fourteen individuals were arrested in March, including six arrested this week. Concealing income and occupants to increase the amount of public housing subsidies, illegal subletting of a NYCHA apartment, and fraudulently collecting dual government housing subsidies from NYCHA and HPD, are among the housing fraud schemes DOI uncovered.

DOI Commissioner Rose Gill Hearn said, "Housing fraud is a pernicious crime that diminishes the limited public funds available for a basic need. Each case DOI uncovers stops theft of taxpayer funds and ensures that City housing programs are helping those who are eligible. DOI is proud to work with its law enforcement partners in these important cases and will continue to expose and stop individuals who perpetrate these crimes."

According to the criminal complaints, the fraud amounts range in excess of \$85,000 and include individuals wrongfully receiving rental subsidies for privately owned Section 8 apartments and for apartments in NYCHA public housing developments in the Bronx, Brooklyn, Queens and Manhattan. Seventeen of the defendants arrested since January 2011 are charged with concealing household occupants and income, thereby obtaining housing subsidies they were not entitled to receive. In the remaining three cases, two defendants were charged separately with illegally subletting their Section 8 apartments, and a third defendant was charged with illegally subletting her apartment in a NYCHA housing development, obtaining a Section 8 apartment through HPD, and receiving housing benefits from both housing programs.

A sample of the cases, according to the criminal complaints filed in court:

- Today, OMO SOULEMANE, 38, of the Bronx, was charged with Grand Larceny in the Third Degree, a class D felony, and 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 by up to four years in prison.

The defendant was a tenant in a NYCHA public housing development in the Bronx and her rent was determined in part on the household composition and income she reported to NYCHA. DOI's investigation found the defendant was employed by the City Health and Hospitals Corporation ("HHC") since February 2006, that she concealed her employment with HHC and her annual salary of up to \$32,039, and as a result of that misrepresentation, she defrauded NYCHA of approximately \$15,261 between June 2006 and February 2009.

This is one of several cases NYCHA identified through an income database match, found a discrepancy, and then referred the case to DOI for further investigation.

The office of Bronx County District Attorney Robert T. Johnson is prosecuting the case, which has been assigned to Assistant District Attorney Monica Huang.

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- On Wednesday, March 30, 2011, LACY SAUNDERS, 52, of the Bronx, was charged with Theft of Public Money, a federal offense punishable on conviction by up to 10 years in prison. The United States Department of Housing and Urban Development (“HUD”) subsidizes NYCHA’s housing developments and the Section 8 programs administered by NYCHA and HPD.

The defendant’s rent in a privately owned apartment in the Bronx was subsidized by Section 8 benefits administered by NYCHA and paid directly to her landlord. DOI’s investigation found that the defendant reported that she received no employment income and lived in the Section 8 residence with her daughter and that she concealed the presence of her husband, a teacher with the City Department of Education, and his income, which ranged between approximately \$45,870 and \$64,690 per year. As a result of those misrepresentations, between October 2006 and June 2010, the government overpaid approximately \$42,326 in Section 8 subsidies on behalf of the defendant. The HUD Office of Inspector General assisted in this investigation.

The office of Preet Bharara, United States Attorney for the Southern District of New York, is prosecuting the case, which has been assigned to Assistant United States Attorney Jessica R. Lonergan.

- On March 24, 2011, OLGA GONZALEZ, 63, of the Bronx, was arrested on charges of Grand Larceny in the Third Degree and three counts of Offering a False Instrument for Filing in the First Degree.

The defendant received Section 8 benefits from NYCHA for an apartment in the Bronx. DOI’s investigation found that instead of living in that apartment with her daughter, as the defendant reported to NYCHA, she was actually living with her daughter in Westchester, N.Y., as the defendant reported on a daycare license application filed with New York State. DOI’s investigation further revealed that the defendant had illegally sublet her Section 8 apartment in the Bronx and that as a result of the defendant’s misrepresentations, NYCHA overpaid approximately \$28,660 in housing benefits on behalf of the defendant.

The Bronx County District Attorney’s Office is prosecuting the case, which is assigned to Assistant District Attorney Michelle Milanés.

- On March 24, 2011, KIM FOBBS, 48, of the Bronx, was charged with Grand Larceny in the Third Degree and Offering a False Instrument for Filing in the First Degree.

The defendant was a NYCHA Section 8 recipient for an apartment in the Bronx. DOI’s investigation found she failed to report the presence of her husband in the apartment, and her husband’s income as a bus operator with New York City Transit, where he earned in excess of \$191,000 between 2005 and 2008. As a result of those misrepresentations, NYCHA overpaid approximately \$36,504 in housing benefits on behalf of the defendant.

The office of Bronx County District Attorney Robert T. Johnson is prosecuting the case, which is assigned to Assistant District Attorney Jessica Lupo.

- On January 21, 2011, ANA CONTRERAS, 45, of the Dominican Republic, was arrested after reentering the United States from the Dominican Republic, and charged with the federal offense of Theft of Public Money.

The defendant was a NYCHA Section 8 recipient for an apartment on West 180th Street in Manhattan and certified she was living in the residence with her two children and subsequently that she resided in the apartment by herself. DOI’s investigation found the defendant rented the four rooms in her apartment to other individuals while she resided in the Dominican Republic, and the defendant received rent payments from the illegal sublets. As a result of this conduct, between November 2006 and December 2010, the defendant fraudulently obtained approximately \$37,898 in Section 8 benefits from the government.

The office of Preet Bharara, U.S. Attorney for the Southern District of New York, is prosecuting the case, which is assigned to Assistant United States Attorney Adam Fee.

- On January 25, 2011, ERNESTINA MARIMON, 55, of Manhattan, was arrested and charged with the federal offense of Theft of Public Money.

The defendant was a tenant in a NYCHA housing development in Manhattan and during that time applied for and began receiving Section 8 subsidies from HPD for a privately owned apartment in Manhattan. A Section 8 recipient cannot also receive housing subsidies from another housing program. The investigation determined that the defendant did not reside in either the NYCHA apartment or the Section 8 apartment, and lived in a third location since 2002. As a result of her conduct, between January 2006 and November 2010, the defendant fraudulently received more than \$25,000 associated with her NYCHA apartment and more than \$60,000 in Section 8 subsidies from HPD.

The U.S. Attorney's Office for the Southern District of New York is prosecuting the case, which is assigned Assistant United States Attorney Daniel C. Richenthal.

Commissioner Gill Hearn thanked Preet Bharara, U.S. Attorney for the Southern District of New York; Cyrus R. Vance, Jr., New York County District Attorney; Robert T. Johnson, Bronx County District Attorney; Richard A. Brown, Queens County District Attorney; Charles J. Hynes, Kings County District Attorney; Rene Febles, HUD OIG Special Agent in Charge; NYCHA Chairman John B. Rhea, NYCHA's Conventional and Leased Housing departments, HPD Commissioner Rafael E. Cestero, HHC President Alan D. Aviles, and HHC Inspector General Norman M. Dion, and their staffs, for their assistance in these investigations.

These investigations were conducted by DOI's Inspector General for NYCHA Kelvin Jeremiah and members of his staff, including Senior Deputy Inspector General Ralph Iannuzzi; Deputy Inspectors General Anthony Capek, Bergia Telesford, and Osa Omoigui; First Assistant Inspector General Rosemary Caruso; Assistant Inspectors General Robin Jacknow, Suzanne Vitti, and J. Graham Forbes; Chief Investigators Martin Lintner, Patricia Sedacca and Beth-Ann Permuy; and Special Investigators Robert Diianno, Thomas Kaleda, Samuel Polland and Tara Benn; and DOI's Office of Inspector General for HPD, including Inspectors General Anastasia Coleman and Peter Zanolin and members of their staff: Jeré Overton, Ghenaida Slack and Ondie Frederick.

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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