



The City of New York  
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**DOI STATEMENT ON GUILTY PLEA OF A FORMER TENANTS ASSOCIATION PRESIDENT  
IN \$98,600 THEFT FROM HER BUILDING'S ACCOUNTS**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI") issued the following statement on today's guilty plea of a former Tenants Association president in Manhattan for stealing approximately \$98,604 that should have been used for her building under an affordable housing program administered by the City Department of Housing Preservation and Development ("HPD"). RENEE HERNANDEZ, 53, pleaded guilty to Grand Larceny in the Second Degree before Judge Gregory Carro in Manhattan Supreme Court. As part of the plea agreement she faces a sentence of between one and three years in prison. Her sentencing date is scheduled for November 2, 2011. The office of New York County District Attorney Cyrus R. Vance, Jr., is prosecuting the case.

DOI Commissioner Rose Gill Hearn said, "This defendant's guilty plea underscores the serious consequences of stealing City housing funds. In this case, funds that were supposed to be used to maintain and improve the residential building were instead misappropriated by the defendant and used for personal expenses. DOI will continue to work with the Manhattan District Attorney to expose and stop this kind of pernicious fraud."

New York County District Attorney Cyrus R. Vance, Jr., said, "The defendant took important funds that were to be used to maintain the building and she pocketed them for her own use. In doing so, she put low-income tenants in a precarious financial situation and hurt taxpayers. I thank DOI for its work on these cases."

HERNANDEZ, of Manhattan, was arrested in May 2011 for the theft, committed while she was president of the 244-246 Elizabeth Street Tenants Association ("TA"), a part of HPD's Tenant Interim Lease Program ("TIL"). DOI's investigation found the defendant used her TA position to steal money from the building's TA bank account by withdrawing funds from certificates of deposit and opening a credit card linked to the account, and that she used those stolen funds to make personal purchases, including clothing, beauty services, and a resort stay in Florida.

The TA at 244-246 Elizabeth St. collected rent under the City's TIL program, which offers tenants who live in City-owned buildings an opportunity to manage and eventually buy their apartments from the City and operate their buildings as low-income cooperatives. 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 building expenses such as maintenance. TAs must submit monthly financial reports to HPD. The building at 244-246 Elizabeth St. is not occupied and is expected to undergo renovations.

Commissioner Gill Hearn thanked HPD Commissioner Mathew M. Wambua and New York County District Attorney Cyrus R. Vance, Jr., and their staffs, for their assistance in this investigation.

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

Assistant District Attorney Jose Fanjul of the New York County District Attorney's Office prosecuted the case under the supervision of Archana Rau, Deputy Chief of the Special Prosecution Bureau, and Tom Wornom, Bureau Chief.

*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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