



The City of New York
Department of Investigation

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SECTION 8 TENANT CHARGED WITH STEALING MORE THAN \$96,000

-DOI investigations led to 38 housing fraud arrests since January 2011, exposing more than \$1.1 million in fraud-

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced the arrest of a Section 8 tenant charged yesterday with defrauding NYCHA of approximately \$96,674 by concealing her ownership of her home, in effect, collecting rent from the government for occupying her own house. This individual is one of 38 charged as a result of DOI housing fraud investigations involving NYCHA properties since the beginning of January 2011. The other fraud schemes include failing to disclose income; concealing City employment to increase subsidies; and falsifying records to conceal that the legitimate tenant of record no longer resided in a NYCHA apartment. The 38 arrests so far this year include seven City employees and one State employee, involve the theft of more than \$1.1 million, and are part of DOI's ongoing effort to combat housing fraud and preserve limited public housing funds for those who are eligible to receive them. Since 2002, DOI housing fraud cases have led to nearly \$4 million in collected restitution, including more than \$250,000 so far this year.

DOI Commissioner Rose Gill Hearn said, "Ripping off the City's housing programs diminishes available funds for needy individuals who are eligible for public housing subsidies. DOI's continued focus on housing fraud has successfully recouped money that would otherwise be lost and ensures that fraud is exposed and prosecuted."

Following are details of several recent housing fraud arrests:

- YANICK DESINCE, 53, of Brooklyn, was arrested Thursday, October 27, 2011, and charged with Theft of Public Funds, a federal offense. Assistant U.S. Attorney Rachel Maimin of the office of Preet Bharara, U.S. Attorney for the Southern District of New York, is prosecuting the case. Special Agents from the Office of Inspector General for the U.S. Department of Housing and Urban Development assisted in the investigation.

According to the criminal complaint, the defendant as the purported tenant of a Section 8 apartment located in a two-family house in Brooklyn received rent subsidies, through NYCHA, funded by the U.S. Department of Housing and Urban Development ("HUD"). DOI's investigation found the defendant failed to disclose that she actually owned the two-family house through a series of straw buyers, and collected rent from a tenant. As a result of these misrepresentations, she defrauded NYCHA of approximately \$96,674 in rent subsidies from August 2000 to the present.

- JANICE MCMILLAN, 56, of Brooklyn, was arrested in May 2011 and charged with Conspiracy to Defraud the U.S. Government, a federal offense, specifically, defrauding NYCHA of approximately \$59,000 by concealing her residency in a NYCHA public housing apartment in Brooklyn, filing fraudulent records stating the legitimate tenant of record was still living there when, in fact, that person had moved to Georgia, and failing to report her employment income from the City Human Resources Administration ("HRA"). MCMILLAN pleaded guilty in July 2011 to Making False Statements and was later sentenced to 60 days home confinement and five years supervised release and was ordered to pay full restitution. Assistant U.S. Attorney Darren LaVerne of the office of Loretta E. Lynch, U.S. Attorney for the Eastern District of New York, prosecuted the case.

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MCMILLAN has been employed with HRA since March 1982, most recently as a Principal Administrative Associate (“PAA”) receiving an annual salary of approximately \$46,223, and is suspended without pay.

- PAMELA KELLY, 56, of Manhattan, was arrested in June 2011 and charged with Theft of Public Funds, a federal offense. Assistant U.S. Attorney Ian McGinley of the office of Preet Bharara, U.S. Attorney for the Southern District of New York, is prosecuting the case.

According to the criminal complaint, KELLY received Section 8 subsidies for an apartment in Manhattan and underreported her income, concealing her employment with, and annual income of up to \$51,389 from, the City. Through those misrepresentations, the defendant defrauded NYCHA’s Section 8 program of more than \$54,260 between September 2000 and July 2008, the complaint charges.

KELLY has been a City employee since April 1995 and since November 2004 has been employed at HRA as a PAA, where her current annual salary is approximately \$51,445.

- CLESHA PRATT, 35, of Allentown, PA, was arrested earlier this month and charged with Grand Larceny in the Third Degree, a class D felony, and two counts each of Falsifying Business Records in the First Degree and Offering a False Instrument for Filing in the First Degree, class E felonies, and related class A misdemeanors. Upon conviction, a class D felony is punishable by up to seven years in prison, a class E felony by up to four years in prison, a class A misdemeanor by up to a year’s incarceration. Assistant District Attorney Brandon Smith of the office of Kings County District Attorney Charles J. Hynes is prosecuting the case.

According to the criminal complaint, the defendant received subsidies for several Section 8 apartments in Brooklyn and concealed the presence and income of her children’s father, who between 2005 and 2009 received an annual salary up to \$44,380 as an employee at HRA. As a result of those misrepresentations, between August 2005 and June 2010, the defendant defrauded NYCHA of approximately \$41,652.

- YVONNE RIVERA, 58, of the Bronx, was arrested in July 2011 for defrauding NYCHA’s Section 8 program of approximately \$23,831 by concealing the presence and income of her son, an officer with the New York City Police Department (“NYPD”), who between 2004 and 2008 received an annual salary up to \$98,775. RIVERA pleaded guilty in September 2011 to Petit Larceny and was sentenced to a conditional discharge and ordered to perform seven days of community service and pay full restitution. Assistant District Attorney Agata DiGiovanni of the office of Bronx County District Attorney Robert T. Johnson prosecuted the case.

Commissioner Gill Hearn thanked Preet Bharara, U.S. Attorney for the Southern District of New York; Loretta E. Lynch, U.S. Attorney for the Eastern District of New York; Kevin Chan, Acting Special Agent in Charge of the New York Office of the Office of Inspector General for HUD; Kings County District Attorney Charles J. Hynes; Bronx County District Attorney Robert T. Johnson; New York County District Attorney Cyrus R. Vance, Jr.; Queens County District Attorney Richard A. Brown; and NYCHA Chairman John B. Rhea, and their staffs, for their assistance on these investigations.

These investigations were conducted by DOI’s Acting Inspector General for NYCHA Kevin R. Smith, and his staff: Senior Deputy Inspector General Ralph Iannuzzi, Deputy Inspectors General Anthony Capek and Osaretin Omoigui, Deputy Counsel Laureen Hintz, Assistant Inspectors General Suzanne Vitti, J. Graham Forbes, Robin Jacknow and John Reatz, Chief Investigators Emily Bizzarro and Ivonne Alvarado-DeJesus, Special Investigator Sam Polland, and Confidential Investigator Patricia Sedacca.

Criminal complaints are 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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