



Department of Investigation

Press Release

*United States Attorney
Southern District of New York*

**FOR IMMEDIATE
RELEASE
FEBRUARY 27, 2003**

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TWELVE ARRESTED ON FEDERAL HOUSING FRAUD CHARGES

JAMES B. COMEY, the United States Attorney for the Southern District of New York and ROSE GILL HEARN, Commissioner of the New York City Department of Investigation, announced that 12 defendants surrendered today to Federal and State authorities on charges of obtaining public housing benefits to which they were not entitled. Today's arrests are part of an on-going city-wide crack-down on fraud that has resulted in more than 55 arrests since January, involving more than \$1 million of improperly obtained housing benefits.

The defendants, charged in 11 separate criminal Complaints unsealed today in Manhattan federal court, include a caseworker for the New York City Department of Human Resources Administration, a school secretary at the New York City Department of Education, and a Court Assistant for the New York State Court System's Civil Division. The 12 defendants' fraud is alleged to have cost the federal government more than \$130,000.

Eight of the complaints concern fraud in connection with "Section 8" private housing, where a tenant's rent is subsidized by the U.S. Department of Housing and Urban Development.

WANDA ALEXANDER, VIVIAN CARTER, KIMBERLY KING, TAMMIE O'NEAL, DEBORAH PRIESTER, and PAMELA REDDICK are each charged with concealing income from the New York City Housing

Authority ("NYCHA") resulting in their receipt of Section 8 subsidies to which they were not entitled.

ELAINE DAVIS and CALVIN POWELL are charged with improperly subletting DAVIS' Section 8 apartment, which POWELL managed, while pocketing DAVIS' federal subsidy.

SANDRA BERNARD is charged with concealing from NYCHA the fact that she had moved out of her Section 8 housing and was living in New Jersey with her husband, with whom she used three cars, including a BMW. According to the complaint against her, BERNARD received thousands of dollars in rent subsidies for the Section 8 housing that she no longer occupied, as a result of her deception.

If convicted, ALEXANDER, CARTER, DAVIS, KING, O'NEAL, POWELL, PRIESTER and REDDICK face a maximum sentence of 10 years' imprisonment.

The remaining defendants were occupants of NYCHA-owned public housing. BEVERLY AVERY, WILLIAM TAYLOR, and THELMA YOUNG are each charged with making false statements concerning their income, resulting in their receipt of reduced rents for their public housing units to which they were not entitled. The charges against AVERY, TAYLOR, and YOUNG carry a maximum penalty of five years' imprisonment.

Mr. COMEY said: "Federal subsidies are a crucial component of New York's efforts to provide affordable housing to the needy. This office will continue to identify and prosecute those who take advantage of these programs for their own gain at the expense of those who often are desperately need of assistance."

Commissioner GILL HEARN stated: "The lesson these defendants and others would be wise to learn is that, with so many needy New Yorkers on long waiting lists for affordable public housing, the City will not be deceived into providing apartments to people who do not qualify for the scarce subsidized housing."

Mr. COMEY praised the investigative efforts of the Department of Investigations. Commissioner GILL HEARN thanked NYCHA's Leased Housing and Borough Management Departments for their cooperation, as well as the Office of Inspector General for the U.S. Department of Housing and Urban Development.

Assistant United States Attorneys THOMAS G. A. BROWN, HARRY A. CHERNOFF, and JULIAN D. SCHREIBMAN are in charge of the prosecutions.

The charges in the Complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty.