



Release #016-99

**DOI ARRESTS BROOKLYN TENANTS GROUP PRESIDENT
FOR \$29,000 WELFARE FRAUD & EMBEZZLEMENT**

WEDNESDAY, APRIL 14, 1999-- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced the arrest of ANN DANIELS, a welfare recipient and former president of the 1493 Eastern Parkway Tenants Association in Brooklyn, for stealing \$13,000 in welfare benefits and more than \$16,200 from the Associations checking account.

The 1493 Eastern Parkway Tenants Association participates in the New York City Department of Housing Preservation and Development's (HPD) Tenant Interim Lease Program (TIL). Under the TIL program, tenants, whose buildings are abandoned by landlords and taken over by the City for tax arrears, pay their monthly rent to their Association, which deposits the money into an HPD operating account established for the individual premises. The Association, in turn, uses this account to write checks to pay the building's maintenance and operating expenses. In addition, Association officers involved in the management of their building receive 8% of the rents collected as remuneration for their services. Each TIL building is supervised by an HPD Building Coordinator, and each month the Association submits a financial statement to HPD. Ultimately, TIL program tenants are given the opportunity to purchase their buildings and become shareholders in fully renovated low-income cooperatives.

DOI commenced an investigation in October 1997, when the Director of HPD's TIL program reported that a review of the 1493 Eastern Parkway Tenants Association's monthly reports showed payments for fuel oil deliveries, even though HPD maintained a fuel oil contractor for the building.

According to Commissioner Kuriansky, a DOI audit of the Association's financial records disclosed that DANIELS had embezzled \$16,240 from the Association by illegally writing 82 checks, payable to herself, which she then cashed or deposited into her personal bank account. In order to conceal the theft, DANIELS allegedly recorded the checks in the Association's check register as payments to fuel oil vendors, a locksmith, building residents, and a cleaning supply store. Further, it is alleged that DANIELS, who is a welfare recipient, fraudulently received \$13,000 in overpayments from the City's Human Resources Administration by failing to report as additional income either the \$16,240 she had stolen or the more than \$3,700 she received as Association president for helping manage the building.

ANN DANIELS, 65, of 1493 Eastern Parkway in Brooklyn, was president of the 1493 Eastern Parkway Tenants Association from April 1994 to August 1997. She was charged with the felony crimes of Grand Larceny in the Third Degree, Welfare Fraud in the Third Degree, Falsifying Business Records in the First Degree, and Offering a False Instrument for Filing in the First Degree. If convicted she faces up to 7 years in prison.

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The investigation was conducted by Brian D. Foley, DOI's Inspector General for HPD, and members of his staff, including First Deputy Inspector General Francis A. Sinatra and Associate Investigative Auditor Muriel M. Moses.

The Office of Kings County District Attorney Charles J. Hynes is prosecuting the case. Assistant District Attorney Jeffrey L. Ferguson is handling the matter.