



## Department of Investigation *Press Releases*

### *Ex-City School Teacher Charged In \$24,000 NYCHA Rent Fraud*

#### **Release #029-2000**

MONDAY, APRIL 24, 2000-- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), and Bronx District Attorney ROBERT T. JOHNSON today announced that FLORENCE VELASQUEZ, a former City school teacher, has been charged with stealing a total of nearly \$42,000 in government-subsidized rent benefits by concealing her employment and income.

The arrest today of VELASQUEZ is part of an ongoing investigation into housing and welfare fraud by DOI and the local district attorneys.

Two weeks ago, for example, 6 individuals -- including 2 other City teachers and a Health Department nurse -- were arrested in the Bronx for lying about their employment and/or household income and fraudulently receiving more than \$98,000 in subsidized housing from New York City. One of the 6 defendants was also charged with illegally receiving more than \$84,000 in welfare benefits while her husband, who resided with her, was gainfully employed.

In commenting on the arrests, Commissioner Kuriansky and District Attorney Johnson stated: "These arrests are part of a continuing citywide investigation which has, since 1995, resulted in the arrests of 156 tenants, charged with stealing over \$3 million in rent subsidy and welfare benefits by concealing their income or assets from NYCHA and HRA. To date, 104 cases have resulted in conviction and over \$1.2 million in court-imposed restitution."

Commissioner Kuriansky said, "The lesson that these defendants and others would be wise to learn is that with so many needy New Yorkers on long waiting lists for affordable housing, the City will not be tricked into providing subsidized apartments to persons who can well afford to live elsewhere -- such as the former City school teacher charged today."

District Attorney Johnson said, "We will be vigilant in our efforts to protect the interests of the truly needy. Hopefully, the filing of these charges will act as a deterrent to anyone who thinks about breaking the law for personal financial gain at the expense of those who are less fortunate."

VELASQUEZ is accused of stealing a total of \$41,974 in rent subsidies from the New York City Housing Authority (NYCHA) between December 1, 1986, and August 9, 1997. The investigation disclosed that

VELASQUEZ was employed by the New York City Board of Education for 13 years from 1985 to 1997 and earned a total income of \$405,168 during that period. In the same period, it is alleged, VELASQUEZ repeatedly submitted notarized affidavits to NYCHA in which she stated that she had never been employed and did not expect to secure employment, because she was caring for her elderly, sick mother with whom she resided in the Webster Houses in the Bronx.

NYCHA manages 344 public housing developments providing shelter to more than 600,000 tenants. In addition, NYCHA administers a federally funded leased housing program known as Section 8. Under that program, tenants living in privately owned dwellings can receive a government rent subsidy. The program presently covers more than 76,400 families.

VELASQUEZ, 39, who is currently employed as a school teacher in Ponce, Puerto Rico, is charged with Grand Larceny in the Third Degree, a Class D felony punishable by up to 7 years in prison, and two counts of Offering a False Instrument for Filing in the First Degree, a Class E felony punishable by up to 4 years in prison.

Commissioner Kuriansky and District Attorney Johnson expressed their appreciation to the New York City Housing Authority's Borough Management Departments and Leased Housing Department for their cooperation and assistance during the course of the investigation.

The investigation was conducted by DOI Assistant Commissioner and NYCHA Inspector General (IG) Steven A. Pasichow and members of his staff, including Assistant Inspector General Irene Serrapica and Confidential Investigator April Mastrangelo.

The prosecution is being handled by Assistant District Attorney David Stayton under the supervision of Assistant District Attorney Richard Baker, Chief, and Assistant District Attorney Andrew Kampel, of District Attorney Johnson's Arson and Economic Crimes Bureau.