



Department of Investigation

Press Release

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WILLIAMSBURG COUPLE & 2 OTHERS CHARGED IN \$13,500 HOUSING FRAUD ***-- Hid House & Condo Ownership To Keep Lower Rent For NYCHA Apartments --***

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that a husband and wife and 2 other individuals--all New York City Housing Authority (NYCHA) tenants in Williamsburg--have been charged with stealing a total of \$13,570 in government rent subsidies by concealing their ownership, separately, of 2 condominiums and 2 houses, also in Williamsburg, which, if disclosed, would have obligated them to pay higher rent for their apartments.

According to Commissioner Kuriansky, the arrests are part of an ongoing citywide investigation by DOI and the local district attorneys, which has, since 1995, resulted in the arrest of 187 tenants, charged with stealing over \$3.7 million in rent subsidy and welfare benefits by concealing their income and assets from the City. To date, 148 cases have resulted in conviction and nearly \$2,000,000 in court-imposed restitution.

In addition to today's charges, within the last year alone, 36 other individuals--including 13 City or State employees--have been arrested for lying about their employment, household income, or assets, and fraudulently receiving nearly \$821,000 in government housing and welfare benefits.

Commissioner Kuriansky said, "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 duped into providing subsidized apartments to New Yorkers with enough disposable income to invest in houses and condos. If they can purchase expensive real estate, they can well afford to pay more rent or even live in housing not subsidized by taxpayers."

NYCHA manages 346 public housing developments providing shelter to over 535,000 tenants. In addition, NYCHA administers a federally funded leased housing program known as Section 8. Under that program, needy tenants living in privately owned dwellings can receive a government rent subsidy. The program presently covers nearly 74,900 families.

The married couple, BELA and MIRIAM HERSKOVITZ, who reported to NYCHA annual income ranging from \$11,554 to \$14,200 between May 1994 and December 1996, is charged with concealing from NYCHA their ownership of a house, located 8 blocks from their NYCHA apartment, thereby illegally obtaining \$3,143 in rent subsidies during that period. The couple failed to disclose that BELA HERSKOVITZ bought a 3 - family house at 189 Penn Street in Brooklyn in March 1994 for \$225,000, while they were renting a 7 - room,

Williamsburg Couple & 2 Others Charged In \$13,500 Housing Fraud

subsidized apartment in NYCHA's Taylor Wythe Houses. In 1994, their monthly rent was \$229, and, in 1996, their monthly rent had increased to \$271. In fact, they should have paid \$343 a month rent in 1994 and \$314 a month rent in 1996.

One individual, JACOB DEUTSCH, who reported to NYCHA annual income ranging from \$6,805 to \$13,000 between May 1994 and May 1996, is charged with concealing from NYCHA his wife's ownership of a condominium, located 4 blocks from their NYCHA apartment, thereby illegally obtaining \$4,147 in rent subsidies during that period. DEUTSCH failed to disclose that his wife bought a condominium at 91 Clymer Street in Brooklyn, in March 1994, for \$184,500, while they were renting a subsidized, 3½ - room apartment in NYCHA's Williams Plaza in Brooklyn, where they had resided since 1986. In 1994, 1995, and 1996, their monthly rent was \$184. In fact, they should have paid \$220 a month rent in 1994, \$367 a month rent in 1995, and \$283 a month rent in 1996, because the market value of the condominium decreased from \$184,000 in 1994 to \$180,000 in 1996.

Another individual, MENDEL JACOBOWITZ, who reported to NYCHA annual income ranging from \$6,760 to \$20,520, between December 1992 and December 1996, is charged with concealing from NYCHA his ownership of a house and his wife's ownership of a condominium, located 7 blocks and 3 blocks, respectively, from their NYCHA apartment, thereby illegally obtaining \$6,280 in rent subsidies during that period. JACOBOWITZ failed to disclose that he bought a 1 - family house at 233 Hewes Street in Brooklyn in October 1992, for \$160,000, and that his wife bought a condominium at 82 Morton Street in Brooklyn, in June 1994, for \$182,500, while they were renting a 5 - room, subsidized apartment in NYCHA's Taylor Wythe Houses. In 1993, their rent was \$118 per month, and, by 1997, their rent had increased to \$441 per month. In fact, they should have paid \$125 per month rent in 1993 and \$531 per month rent in 1997.

All 4 defendants have been charged with Grand Larceny in the Third Degree, a Class D felony punishable by up to 7 years in prison. In addition, DEUTSCH and JACOBOWITZ have been charged with Grand Larceny in the Fourth Degree, a Class E felony punishable by up to 4 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to the New York City Housing Authority for its cooperation and assistance in the investigation.

The investigation was conducted by DOI Assistant Commissioner and NYCHA Inspector General Steven A. Pasichow and members of his staff, including Deputy Inspector General James Ernst and Assistant Inspector General Bergia Telesford.

The Office of Manhattan District Attorney Robert M. Morgenthau is prosecuting the cases. Assistant District Attorneys Janis Gomez and Lynn Kaseta, under the supervision of Assistant District Attorney Gary T. Fishman, Chief of the DA's Welfare Fraud Unit, are handling the matters.

DEFENDANT INFORMATION

- Bela Herskovitz, 47, of Brooklyn (\$3,143 in rent subsidies).
- Miriam Herskovitz, 44, of Brooklyn (\$3,143 in rent subsidies).
- Jacob Deutsch, 36, of Brooklyn (\$4,147 in rent subsidies).
- Mendel Jacobowitz, 42, of Brooklyn (\$6,280 in rent subsidies).