



Department of Investigation

Press Release

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8 BRONX RESIDENTS CHARGED IN \$127,00 HOUSING FRAUD

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that 8 Bronx residents have been charged with stealing a total of nearly \$127,000 in government housing subsidies. The investigation focused on people who lied about their employment or household income and thereby fraudulently received subsidized housing benefits from New York City.

According to Commissioner Kuriansky, "These arrests are part of an ongoing citywide investigation by DOI and the local district attorneys, which has since 1995, resulted in the arrest of 195 tenants--including 68 City, State, or Federal employees--charged with stealing nearly \$3.9 million in rent subsidy and welfare benefits by concealing their income and assets from the City. To date, 152 cases have resulted in conviction and nearly \$2 million in court-imposed restitution."

Commissioner Kuriansky added, "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 people who can well afford to pay more or even live elsewhere."

NYCHA manages 346 public housing developments providing shelter to over 535,000 tenants. In addition, NYCHA administers the Section 8 program, a federally-funded, leased-housing program which provides government rent subsidies to nearly 75,000 needy families living in privately-owned dwellings.

The 8 defendants charged today--including a Section 8 landlord and 3 Section 8 tenants--are accused of stealing from NYCHA a total of \$126,760 in public housing rent subsidies, in amounts ranging from \$5,345 to \$43,639, by concealing their employment or their actual household income. Four tenants live in government-funded housing developments--the Bronx River, the Edenwald, and the Jackson Houses in the Bronx--and were responsible for stealing a total of \$26,099. The three other tenants, and the landlord, live in Section 8 apartments in the Tremont and Soundview sections of the Bronx, and were responsible for stealing a total of \$100,661. Overall, the housing fraud took place between August 1993 and February 2001.

The landlord, HECTOR LOPEZ, and, WANDA ALICEA, his wife, a Section 8 recipient, are charged with concealing from NYCHA, between August 1993 and February 2001, the fact that they lived together, initially, in her 4-room, rent-subsidized apartment at 1727 E. 172nd Street in the Bronx and, subsequently, in a LOPEZ-owned, 5-room private house at 916 Boynton Avenue in the Bronx, thereby illegally obtaining \$38,960 in rent subsidies.

8 Bronx Residents Charged In \$127,00 Housing Fraud

ALICEA failed to disclose to NYCHA that LOPEZ was employed as a New York Blood Center donor specialist in Elmsford, New York, earning \$36,227 a year, and that, in January 2000, when ALICEA received NYCHA approval to transfer her rent subsidies to the Boynton Avenue address, LOPEZ owned the \$180,000 house and was the property's Section 8 landlord. Rather, ALICEA falsely claimed that her total household income ranged from \$6,924 to \$26,000 a year and was solely derived from public assistance, a medical center office manager's job, and unemployment benefits. Between 1993 and 2001, ALICEA's rent share ranged from \$146 to \$573 a month, while NYCHA paid rent subsidies ranging from \$152 to \$579 a month. In fact, ALICEA should have paid a monthly rent share of \$725 a month.

Another Section 8 recipient, AIDA FORTY, was charged with illegally obtaining \$43,639 in rent subsidies by concealing from NYCHA, between March 1995 and February 2001, the presence of her 30-year-old daughter--who earned \$18,000 a year as a NYCHA clerical associate--in her 4-room apartment at 4332 Matilda Avenue in the Bronx and, subsequently, in her 4-room apartment at 2314 Holland Avenue in the Bronx, where she moved in May 1999. FORTY falsely claimed that her household consisted only of herself and a grandson, and that her household income was only \$4,500 a year and was wholly derived from welfare and social security benefits. Between 1995 and 2001, FORTY's rent share ranged from \$20 to \$74 a month, while NYCHA paid rent subsidies ranging from \$518 to \$761 a month. In fact, FORTY should have paid a rent share ranging from \$564 to \$831 a month.

A third Section 8 recipient, CELESTE OAKES, a resident of 2162 Valentine Avenue in the Bronx, was charged with concealing from NYCHA, between January 1996 and February 2000, the extent of household income which she received from Loehmanns, a department store at 5740 Broadway in the Bronx, where she worked as a finance clerk, and Great Springs Water of America, Inc., a drinking water purveyor at 777 West Putnam Avenue in Greenwich, Connecticut, where she worked as a clerk, thereby illegally obtaining a total of \$18,062 in rent subsidies during that period. OAKES falsely claimed that she had earned a total of only \$26,364 from both employers, while her employers' payroll records indicated that OAKES had actually earned a total of \$117,420--\$86,752 from Loehmanns, and \$30,668 from Great Springs Water. Between 1996 and 2000, OAKES's rent share ranged from \$47 to \$88 a month, while NYCHA paid subsidies ranging from \$467 to \$547 a month. In fact, OAKES should have paid a rent share ranging from \$128 to \$594 a month.

All 8 defendants have been charged with Grand Larceny in the Third Degree, a Class D felony, and Offering a False Instrument for Filing in the First Degree, a Class E felony. If convicted, each faces up to 7 years in prison.

Commissioner Kuriansky expressed his sincere appreciation to NYCHA's Borough Management and Leased Housing Departments for their 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 Confidential Investigators Emily Bizzarro, Frank Carubia, Rosemary Caruso, Christopher France, Haydee Urena, and Maia Wade.

The Office of Bronx District Attorney Robert T. Johnson is prosecuting the cases. Assistant District Attorneys Michael Sobie, Kiran Vashishta, Patrick Breen, Calvin Woo, Jose Contreras, and Pamela Brown, under the supervision of Richard Baker, Chief, and Andrew Kampel, Supervising Assistant District Attorney, of the DA's Arson, Auto, and Economic Crime Unit, are handling the matters.