



# Department of Investigation

## *Press Release*

**Release # 036-2002**

THURSDAY, JUNE 20, 2002

### **DOI ARRESTS MANHATTAN TENANTS GROUP PRESIDENT FOR \$15,000 EMBEZZLEMENT**

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI), today announced the felony arrest of WARREN ABNEY, a former president of the 2049 5<sup>th</sup> Avenue Tenants' Association in Manhattan, for stealing more than \$15,000 from the Association's bank accounts.

The 2049 5<sup>th</sup> Avenue 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 have been 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 Association bank account. 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 report to HPD. Ultimately, TIL program tenants are given the opportunity to purchase their buildings and become shareholders in fully renovated, low-income cooperatives.

DOI began the investigation when other Association officers and tenants reported unauthorized bank transfers and withdrawals from the Association's checking and savings accounts.

According to Commissioner Gill Hearn, a DOI audit of the Association's financial records disclosed that, between July 1997 and December 1998, ABNEY had embezzled \$15,177 from the Association by making a total of 35 unauthorized withdrawals -- in amounts ranging from \$25 to \$1700 -- from the Association's 2 checking and 2 savings accounts with Carver Federal Savings and Chase Manhattan banks. During the investigation, ABNEY admitted to stealing some of these funds, which, he said, he used to purchase items for his personal use.

ABNEY, 36, of 2049 5<sup>th</sup> Avenue in Manhattan, was president of the 2049 5<sup>th</sup> Avenue Tenants' Association from June 1997 through March 1999. He was charged with the felonies of Grand Larceny in the Third Degree, and Offering a False Instrument for Filing in the First Degree. If convicted, he faces up to 7 years in prison.

Commissioner Gill Hearn expressed her sincere appreciation to the 2049 5<sup>th</sup> Avenue Tenants' Association officers for their cooperation and their referral of this matter to DOI.

DOI Arrest Manhattan Tenants Group President For \$15,000 Embezzlement

The investigation was conducted by Brian D. Foley, DOI's Inspector General for HPD, and Associate Investigative Auditor Muriel M. Moses.

The Office of the New York County District Attorney Robert M. Morgenthau is prosecuting the case. Assistant District Attorney Marcy Chelmow is handling the matter.