



# Department of Investigation

## *Press Release*

**Release # 037-2002**

THURSDAY, JUNE 20, 2002

### **CABLEVISION EMPLOYEE CHARGED IN \$20K HOUSING FRAUD**

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI), announced today the felony arrest of MICHELLE PETERSON, a former Section 8 tenant, for fraudulently receiving \$20,211 in rent subsidy benefits by failing to reveal to the New York City Housing Authority (NYCHA) her true employment and household income for her 3-room apartment at 10 Richman Plaza, in the Morris Heights section of the Bronx.

According to Commissioner Gill Hearn, NYCHA manages 345 public housing developments providing shelter to more than 435,000 tenants. In addition, NYCHA administers a federally funded 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 over 79,000 families. PETERSON had been receiving rent subsidies for her apartment from November 1990 until October 2000.

Commissioner Gill Hearn noted that today's arrest is part of an ongoing Citywide crackdown by DOI and the local district attorneys, which has since, 1995, resulted in the arrest of 254 residents -- including 81 City, State and Federal employees -- charged with stealing over \$5.1 million in rent and welfare subsidies by hiding their income and assets from the City. Just last week, 5 other Bronx residents were arrested for fraudulently receiving \$97,000 in subsidized housing benefits from NYCHA, and, since January, 39 individuals have been arrested for illegally receiving nearly \$820,000 in government housing benefits by concealing their employment or household income. So far, 188 cases have resulted in convictions and more than \$2.6 million in court-imposed restitution.

In today's case, MICHELLE PETERSON, a former Section 8 participant, is charged with unlawfully obtaining \$20,211 in rent subsidies from April 1997 to October 2000 for a 3-room apartment located at 10 Richman Plaza in the Bronx. During that time, she reported that she was employed part-time as a Customer Relations Coordinator by Cablevision of New York. PETERSON was, in fact, employed full-time by Cablevision, earning between \$40,924 and \$43,972 a year during that period. PETERSON's rent share ranged from \$77 to \$327 a month, while the Section 8 program paid subsidies ranging from \$381 to \$631 a month. In fact, PETERSON should have paid a monthly rent of \$708, inasmuch as her income since April 1997 made her ineligible to receive any subsidies after that date.

PETERSON, 31, currently of 191 Lenox Avenue in Manhattan, has been charged with Grand Larceny in the

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Third Degree, a Class D Felony. If convicted, she faces up to 7 years in prison.

Commissioner Gill Hearn expressed her sincere appreciation to the Bronx District Attorney's Detective Squad and NYCHA's Leased Housing Department for their cooperation and assistance in the investigation.

The investigation was conducted by DOI Assistant Commissioner and NYCHA Inspector General Steven Pasichow and members of his staff, including Deputy Inspector General Kevin Smith and Chief Investigator Rosemary Caruso.

The Office of Bronx District Attorney Robert T. Johnson is prosecuting the case. Assistant District Attorney Kiran Vashista, under the supervision of Assistant District Attorney Richard Baker, Chief, and Assistant District Attorney Andrew Kampel, of District Attorney Johnson's Arson, Auto, and Economic Crimes Bureau, is handling the prosecution.