



Department of Investigation

Press Release

Release #029-2001

TUESDAY, JUNE 26, 2001

3 QUEENS RESIDENTS--INCLUDING SCHOOL CUSTODIAN--CHARGED IN \$58K HOUSING FRAUD

EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that 3 Queens residents--including a Board of Education custodian who concealed nearly \$180,000 in City salary--have been charged with stealing a total of over \$58,000 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 198 tenants--including 69 City, State, or Federal employees--charged with stealing over \$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 3 defendants charged today--2 Section 8 tenants residing in apartments in Far Rockaway and East Elmhurst, and a public housing tenant residing at the Arverne-Edgemere Houses in Edgemere--are accused of stealing from NYCHA a total of \$58,054 in public housing rent subsidies, in amounts ranging from \$7,126 to \$33,433, by concealing their employment or their actual household income. Overall, the housing fraud took place between April 1989 and March 2001.

The school custodian, CHERYL TURNER, a Section 8 recipient and a resident of a 4-room apartment at 2230 Mott Avenue in Far Rockaway, was charged with illegally obtaining \$33,433 in rent subsidies by concealing from NYCHA, between April 1989 and March 2001, the extent of household income which she received from the New York City Board of Education, for which she worked at PS 183 at 2-45 Beach 79th Street in Rockaway, as a para-professional and custodian. TURNER falsely claimed that she had earned a total of only

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\$83,651, from 1989 through March 2001, from her Board of Education employment, while Board of Education payroll records indicated that TURNER had actually earned a total of \$262,544 during that period. In addition, TURNER was charged with concealing from NYCHA, between 1995 and 2001, the Social Security benefits she received for her 2 children in the amount of \$60,585. Between 1989 and 2001, TURNER's rent share ranged from \$149 to \$320 a month, while NYCHA paid rent subsidies ranging from \$167 to \$327 a month. In fact, TURNER should have paid a rent share ranging from \$242 to \$531 a month.

Another Section 8 recipient, JULIA PEREZ, a resident of a 4-room apartment at 32-47 101st Street in East Elmhurst, who previously resided in 4-room apartments at 101-26 39th Avenue, and 32-48 108th Street, both also in Queens, was charged with concealing from NYCHA, between December 1993 and November 1997, the extent of household income she received from a tobacco retailer, Famous Smoke Shop Inc., at 55 West 39th Street in Manhattan, for which she worked as a sales clerk, thereby illegally obtaining \$17,495 in rent subsidies during that period. PEREZ falsely claimed that she had earned a total of only \$35,784 from her employment, while her employer's payroll records indicated that PEREZ had actually earned a total of \$88,275. Between 1993 and 1997, PEREZ's rent share ranged from \$37 to \$236 a month, while NYCHA paid rent subsidies ranging from \$569 to \$713 a month. In fact, PEREZ should have paid a rent share ranging from \$217 to \$759 a month.

The NYCHA tenant, LUCINE SMALLS, a resident of a 5-room apartment at 434 Beach 58th Street in Edgemere, was charged with concealing from NYCHA, between October 1997 and September 2000, the income she received from a bus company, WE Transport Inc., at 303 Sunnyside Boulevard in Plainview, New York, for which she worked as a bus matron, thereby illegally obtaining \$7,126 in rent subsidies during that period. SMALLS falsely claimed that her total household income ranged from \$5,328 to \$9,192 a year and was solely derived from public assistance, while her employer's payroll records indicated that SMALLS had actually earned income ranging from \$10,358 to \$11,424 a year. Between 1997 and 2000, SMALLS' rent share was \$153 a month, while NYCHA paid rent subsidies ranging from \$106 to \$312 a month. In fact, SMALLS should have paid a rent share ranging from \$259 to \$465 a month.

All 3 defendants have been charged with Grand Larceny in the Third Degree, a Class D 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 Bergia Telesford, Louis Vega, and Michael Wilk.

The Office of Queens District Attorney Richard Brown is prosecuting the cases. Assistant District Attorney Christine Burke, under the supervision of Brian Mich, Chief, of the DA's Economic Crimes Bureau, is handling the matters.

It should be noted that a criminal complaint is merely an accusation and that the defendants are presumed innocent until proven guilty.