



# Department of Investigation

## *Press Release*

Release # 047-2002

THURSDAY, JULY 25, 2002

### **DOI ARRESTS BRONX TENANTS GROUP PRESIDENT FOR \$74,000 EMBEZZLEMENT**

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI), today announced the felony arrest of GLORIA BAILEY, a former president of the 1105 College Avenue Tenants' Association in the Bronx, for stealing \$74,844 from the Association's bank accounts by writing checks payable to herself and to several of her relatives.

Commissioner Gill Hearn said that, from June 1997 through November 2000, BAILEY was the President of the 1105 College Avenue Tenants' Association, a City-owned building in the Department of Housing Preservation and Development's (HPD) Tenant Interim Lease (TIL) program. 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 this investigation upon notification from HPD that a review of the monthly financial reports showed that several unauthorized checks, totaling nearly \$10,300, had been written against the Association's accounts and made payable to BAILEY and various other individuals.

A DOI audit of the Association's financial records revealed that BAILEY had embezzled a total of \$74,844 from the Association by illegally writing 38 checks, totaling \$22,519, payable to herself; 7 checks, totaling \$4,645, payable to her husband; 72 checks, totaling \$42,554, payable to her daughter; 4 checks, totaling \$1,770, payable to her daughter's common-law husband; and \$3,356 in checks payable to various entities and individuals for services unrelated to the building's operations. All of the checks were cashed at various check cashing establishments in the Bronx and the proceeds returned to BAILEY. During the investigation, BAILEY admitted to stealing the monies, acknowledging that she had used the proceeds for her personal benefit.

BAILEY, 50, currently a resident of Newport News, Virginia, has been charged with Grand Larceny in the Second Degree, a Class C felony, and Falsifying Business Records in the First Degree, a Class E Felony. If convicted, she faces up to 15 years in prison.

Commissioner Gill Hearn expressed her sincere appreciation to HPD Commissioner Jerilyn Perine and members of her staff for their cooperation and assistance in the investigation.

The investigation was conducted by Brian D. Foley, DOI's Inspector General for HPD, and Associate

Investigative Auditor Muriel M. Moses, with the assistance of NYPD Detective M.R. Carter.

The Office of the Bronx County District Attorney Robert T. Johnson is prosecuting the case. Assistant District Attorney Daniel Sullivan is assigned to handle the matter.