



# Department of Investigation

## *Press Release*

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TUESDAY, SEPTEMBER 4, 2001

### **EX-NYCHA MAINTENANCE WORKER AND LONG ISLAND RECEPTIONIST CHARGED IN \$26K HOUSING & WELFARE FRAUD 1 DAY BEFORE START OF CITY'S 90-DAY RENT FRAUD AMNESTY**

The Office of EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), today announced that 2 individuals -- a former New York City Housing Authority (NYCHA) maintenance worker and his companion, a receptionist for a Long Island physical therapy company -- have been charged with stealing a total of \$17,410 in government housing benefits. The receptionist was additionally charged with stealing \$9,473 in welfare, food stamp, and Medicaid benefits. The subjects lied about their employment or household income and thereby fraudulently received the benefits from NYCHA and New York City.

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.

Both arrests took place on Friday, the day before the start of NYCHA's Citywide 90-day rent amnesty program. The program, which began September 1 and ends November 30, allows those individuals residing in public housing or Section 8 apartments who have been cheating the system -- by concealing the actual amount of their household income in order to be charged lower rents--an opportunity to pay what they owe and avoid arrest, if they voluntarily come forward.

In the past 5 months, DOI's Inspector General for NYCHA has arrested a total of 24 residents, including the 2 announced today, for stealing a total of over \$383,000 by concealing their employment or actual household income from NYCHA, thereby fraudulently receiving subsidized housing benefits.

The recent arrests are part of an ongoing Citywide crackdown by DOI and local district attorneys, which has, since 1995, resulted in the arrest of 207 residents -- including 69 City, State, or Federal employees -- charged with stealing over \$4.1 million in rent and welfare subsidies by hiding their income and assets from the City. So far, 160 cases have resulted in conviction and over \$2.1 million in court-imposed restitution.

The 2 defendants announced today are accused of stealing from NYCHA, between January 1996 and May 2001, a total of \$17,410 in public housing rent subsidies by concealing their actual household income. One of them has been charged additionally with stealing from the City Human Resources Administration (HRA), between November 1995 and December 1998, a total of \$9,473 in welfare, food stamps, and Medicaid benefits by concealing her actual family composition and household income as well as her companion's employment and income.

Both former NYCHA maintenance worker ZALE NEWSOM, and his companion, receptionist CONSUREA JOHNSON, currently a resident of a 4-room apartment in NYCHA's Arverne-Edgemere Houses, at 343 Beach 54<sup>th</sup> Street in Far Rockaway, Queens, and formerly a resident of a 4-room apartment, also in Arverne-Edgemere Houses, at 353 Beach 54<sup>th</sup> Street, were charged with concealing from NYCHA, between January 1996 and May 2001, NEWSOM's presence in JOHNSON's household and the income he earned from his employment with NYCHA at the Arverne-Edgemere Houses, where he worked from May 30, 1989, to May 15, 2001, thereby illegally obtaining \$17,410 in rent subsidies during that period. JOHNSON, currently a \$20,000-a-year receptionist with Advance Physical Therapy, 400 North Broadway, Jericho, New York, falsely claimed that her household consisted solely of herself and her 3 children, and that her total household income ranged from \$10,920 to \$12,696 derived from a combination of public assistance and occasional employment. NYCHA's payroll records showed that NEWSOM earned income, between 1995 and 2000, ranging from \$37,949 to \$43,204 a year. Between 1995 and 2000, Johnson's rent share, for the 2 NYCHA apartments she consecutively occupied, ranged from \$199 to \$254 a month, while NYCHA paid rent subsidies ranging from \$241 to \$296 a month. In fact, JOHNSON should have paid a rent share of \$495 a month, the maximum rent for apartments of that size.

In addition, from November 1995 to December 1998, JOHNSON failed to report to HRA NEWSOM's presence in the household, and his employment and income, thereby illegally obtaining a total of \$9,473 in public assistance, food stamps, and Medicaid benefits.

NEWSOM and JOHNSON have been charged, acting in concert, with Grand Larceny in the Third Degree, a Class D felony. JOHNSON additionally, has been separately charged with Grand Larceny in the Third Degree, Welfare Fraud 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 the New York City Housing Authority and the Human Resources Administration's Bureau of Fraud Investigation 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 Investigator Alexandra Hampton. Assisting in the welfare part of the investigation were Peter Jenik, Assistant Deputy Commissioner, and Cathy Larsen, Special Investigator, of HRA's Bureau of Fraud Investigation.

The Office of Queens District Attorney Richard Brown is prosecuting the cases. Assistant District Attorney Christine Burke, under the supervision of Brian Mich 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.

**DEFENDANT INFORMATION**

1. Zale Newsom, 43, of Queens (\$17,410 in rent subsidies).
2. Consurea Johnson, 33, of Queens (\$17,410 in rent subsidies; \$9,473 in welfare, food stamps, and Medicaid benefits).