



Department of Investigation

Press Release

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FOR IMMEDIATE RELEASE	CONTACT: EMILY GEST
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4 INDIVIDUALS - INCLUDING A STATE CORRECTIONS OFFICER, AN ACS EMPLOYEE & AN OTB EMPLOYEE CHARGED IN \$94,193 HOUSING FRAUD IN THE BRONX

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI) announced today that four Bronx residents, including a New York State Corrections Officer and two other government employees - an Administration for Children Services (ACS) Child Protective Specialist and an Off Track Betting (OTB) employee - have been charged with stealing more than \$94,000 in government rent subsidies. The investigation focused on people who lied about their employment, household income, and/or family composition and thereby fraudulently received subsidized housing benefits from the New York City Housing Authority (NYCHA).

Commissioner Gill Hearn said that these arrests are part of an ongoing Citywide crackdown by DOI and the local district attorneys, which has resulted in the arrest of 258 residents - including 84 City, State and Federal employees - charged with stealing over \$5.2 million in rent and welfare subsidies by hiding their income and assets from the City. Since January 2002, 43 individuals have been arrested for illegally receiving nearly \$1 million in government housing benefits by concealing their employment or household income from NYCHA. Since 1995, 209 cases have resulted in convictions and more than \$2.7 million in court-imposed restitution.

NYCHA manages 345 public housing developments providing shelter to over 435,000 tenants. In addition, NYCHA administers a federally-funded leased 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 more than 79,000 families.

Three of the defendants charged received Section 8 subsidies and reside in the Morrisania and Parkchester sections of the Bronx and the other resides in NYCHA's Franklin Avenue Rehab, also in the Morrisania section of the Bronx. They are accused of stealing, between February 1997 and June 2002, a total of \$94,193 in rent subsidies, in amounts ranging from \$12,346 to \$38,044 by concealing their employment or actual household income and composition from NYCHA.

Commissioner Gill Hearn said, "So many New Yorkers are on long waiting lists for affordable public housing. The City will not be deceived into providing subsidized apartments to people -- like the Corrections Officer and the ACS worker charged here -- who can well afford to pay more or even live elsewhere."

In today's cases, DAWN TOULSON, a resident at NYCHA's Franklin Avenue Rehab since 1995 where she lives in a four-room apartment, is charged with unlawfully obtaining \$12,346 in government rent subsidies. From August 1998 and June 2002, she concealed from NYCHA her salary and employment as a New York State Corrections Officer assigned to Sing Sing Correctional Facility. Toulson failed to report her income, which ranged from \$26,371 to \$31,799, when she signed and filed her annual Affidavits of Income (AOIs) with NYCHA. Toulson's rent, which ranged from \$173 to \$196 a month, was calculated based on the public assistance income and Supplemental Security Insurance she reported. Toulson should have been paying between \$450 and \$455 a month in rent.

CHERYL PATTERSON, a Section 8 recipient from June 1992 to May 2001, who lives in a three-room apartment in the Parkchester section of the Bronx, is charged with unlawfully obtaining \$20,444 in government rent subsidies by concealing from NYCHA, between May 1998 and February 2001, income she earned working as a social worker at the New York Foundling Hospital (NYFH) and her salary as a Child Protective Specialist for the Administration for Children Services. From June 1992 to May 2001, Patterson earned between \$23,623 to \$44,288 a year at NYFH and ACS. She told NYCHA she was a babysitter. Patterson paid anywhere from \$191 to \$330 a month in rent when she should have been paying between \$782 and \$884 a month in rent.

FERN JEFFERSON, a Section 8 recipient since February 1998 who lives in a five-room apartment in the Morrisania section of the Bronx, is charged with unlawfully obtaining \$38,044 in rent subsidies. From March 1998 to November 2001, she concealed from NYCHA her salary as a betting clerk for New York City Off Track Betting. Jefferson also failed to report to NYCHA the presence of and income earned by her "common law" husband, and father of her child, Tracy Reeves. During that time period Jefferson's combined family income ranged from \$39,789 to \$54,773 a year. Her rent ranged from \$0 (with Section 8 paying the full amount of the contract rent) to \$36 a month when she should have been paying \$900 a month in rent.

VICTORIA GREEN, a Section 8 recipient from April 1985 to February 2001, who received government rent subsidies for a five-room apartment at 920 Prospect Avenue in the Morrisania section of the Bronx, is charged with unlawfully obtaining \$23,358 in rent subsidies by concealing from NYCHA, between August 1993 and January 2001, income earned from her employment as a customer service representative with Cablevision. Green also failed to report to NYCHA that her "fiance," Daniel Beauvoir, who worked for the New York City Board of Education as a Teacher's Aide, lived in the Section 8 apartment. Their combined annual income ranged from \$9,872 to \$45,940 a year. Green's misrepresentations to NYCHA caused her rent to be calculated at a range of \$65 to \$386 a month, when she should have been paying between \$173 and \$549 a month in rent.

The defendants have each been charged with Grand Larceny in the Third Degree, a Class D felony. If convicted, they each face up to seven years in prison.

Commissioner Gill Hearn expressed her sincere appreciation to NYCHA's Leased Housing and Borough Management Departments for their cooperation and assistance during the course of the investigation.

The investigation was conducted by DOI Assistant Commissioner and NYCHA Inspector General Steven A. Pasichow and members of his staff, including Deputy Inspectors General Kevin Smith and James Ernst, Investigative Attorney Karen Cohen, Assistant Inspectors General Bergia Telesford and James Hylton, Chief Investigator Rosemary Caruso, Special Investigator Chris France, and Confidential Investigator Alexandra Hampton.

The prosecutions will be handled by the office of Bronx District Attorney Robert T. Johnson. Prosecutors include Assistant District Attorneys Juan Soto, Robert Bergida, and Alexandra Militano under the supervision of Assistant District Attorney Andrew Kampel and Assistant District Attorney Richard Baker, Chief of the Bronx County District Attorney's Arson, Auto, and Economic Crimes Bureau.

DEFENDANT INFORMATION:

1. Dawn Toulson, 35, of the Bronx, (\$12, 346 in rent subsidies)
2. Fern Jefferson, 38, of the Bronx, (\$38,044 in rent subsidies)
3. Cheryl Patterson, 33, of the Bronx, (\$20,444) in rent subsidies)
4. Victoria Green, 40, of the Bronx, (\$23,358 in rent subsidies)