



The City of New York
Department of Investigation

ROSE GILL HEARN

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DOI ARRESTS 12 IN HOUSING SCAM

— DEFENDANTS PRETENDED THE DEAD WERE ALIVE TO REMAIN IN APARTMENTS —

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI), announced today the results of a six-month investigation that led to the arrest of 12 individuals, including two City employees, who fraudulently gained control of New York City Housing Authority (NYCHA) apartments after tenants had died. Those arrested, usually relatives of the deceased, kept the apartments for their own use — in some cases, for 11 years — and submitted fraudulent documents and fabricated Social Security documents that made it appear the leaseholder was alive and resided in the apartment. In two cases, the defendants had other persons pose as the deceased and meet with NYCHA officials. Other defendants claimed the hard-to-reach tenants were in Hawaii or Puerto Rico. One defendant was arrested by DOI in 2003 for allegedly stealing more than \$6,000 from the Municipal Credit Union after the 2001 terrorist attacks. Nine of the 12 defendants allegedly defrauded NYCHA of \$123,704.

The defendants have been charged with various Grand Larceny and False Filing-related felonies by District Attorney's Offices in Manhattan, Brooklyn, Queens, and the Bronx. Depending on the charges, they face up to four to seven years in jail.

DOI Commissioner Rose Gill Hearn said, "To pretend the dead were living, these defendants developed intricate schemes to gain scarce and valuable public housing. Greed doesn't pay — especially when it involves the death of a loved one. Figuratively, some of these defendants have shot themselves in the foot — some of them may have qualified for subsidized housing if only they had reported accurately their income and/or the death of their family member."

DOI's investigation involved using a computer program to match data in NYCHA tenant records with death certificates filed with the New York City Department of Health.

In today's cases, FRED DUFF, 42, and his brother BRIAN DUFF, 34, were tenants in their father Robert Duff's apartment in the Marlboro Houses, in Coney Island, Brooklyn. After their father's death on September 11, 1993, FRED AND BRIAN allegedly devised a scheme to make it appear to NYCHA that their father was still alive so they could remain in the apartment and pay \$210/month in rent. The DUFF brothers allegedly submitted documents bearing their father's forged signature and fabricated photocopies of Social Security checks their father supposedly continued to receive. The brothers falsely claimed they were unemployed and that their father received Social Security benefits under \$10,000 a year. Instead, DOI investigators found that the brothers' combined income was nearly \$85,000. Investigators determined that FRED DUFF had been employed by Verizon since 1987 and BRIAN DUFF had been employed by the Metropolitan Jewish Geriatric Nursing Home Company since 1988. In addition, DOI found that FRED DUFF moved from the apartment in 2000 after he purchased a three-family home at 1815 East 48th Street, Brooklyn. FRED and BRIAN DUFF together allegedly defrauded NYCHA of about \$32,471, and BRIAN DUFF alone defrauded NYCHA of an additional \$7,604.

RENEE LUCAS, 53, a Department of Education School Aide and a NYCHA tenant at Polo Grounds Houses in Harlem, obtained another NYCHA apartment in Douglass Houses in which her son lived after the tenant, Leroy Howell, died in 1997. For the next seven years LUCAS, who was Howell's emergency contact, allegedly forged and submitted to NYCHA Social Security award letters to make it appear that Leroy Howell was alive and receiving Social Security benefits. After many unsuccessful attempts to meet with Howell, NYCHA contacted LUCAS in 2002. LUCAS, in an effort to continue her scheme, arranged for a NYCHA employee to interview "Howell" in his apartment. On the date of the interview, LUCAS allegedly enlisted a man to pose as the deceased. The imposter was photographed wearing a shower cap and hospital gown by the NYCHA worker. LUCAS told DOI the imposter was Leroy Howell's twin brother Larry Howell, whom DOI is still seeking.

BEULAH JOHNSON, 46, obtained permission from NYCHA to live with her elderly mother, Margaret Sloan, in her mother's apartment in Marcy Houses, in Bedford Stuyvesant, Brooklyn after she submitted a request in MARCH 1999 that bore her signature and purportedly her mother's. In that request, JOHNSON claimed her mother was "too old to live alone," and needed her care. Each year since then, JOHNSON filed documents that she and her mother allegedly signed and asserted mother and daughter lived in the NYCHA apartment. However, DOI investigators determined that JOHNSON's mother actually died on May 1, 1997, before JOHNSON had even requested permission to reside with her. NYCHA regulations stipulate that because JOHNSON was not part of her mother's household before her mother's death, JOHNSON would not have been entitled to tenancy status when her mother died.

MARIA McCANTS, 35, allegedly moved into her mother's apartment at Bushwick Houses in Bushwick, Brooklyn as an unreported tenant before her mother, Olga Franco Guerrero, died in December 2000. McCANTS did not report her mother's death to NYCHA. In order to convince NYCHA that her mother was alive and ensure her ability to gain control of the apartment, McCANTS allegedly enlisted her aunt to pose as Olga Guerrero, visit the NYCHA management office and sign documents adding McCANTS to the household. McCANTS told investigators she submitted affidavits to NYCHA on which she forged her mother's signature, and submitted forged Social Security award letters to NYCHA to make it appear that her mother was still alive, living in the apartment, and receiving Social Security benefits. McCANTS allegedly defrauded NYCHA of \$5,532 from February 2001 to June 2002.

ISMAEL LALLAVE, 57, sought permission from NYCHA in 2002 to live with his elderly mother, Esther Acevedo, at NYCHA's Ocean Bay Apartments in Far Rockaway, Queens, to help care for her. However, as DOI discovered, LALLAVE's mother actually died four years earlier, in May 1998. After his mother's death, allegedly, LALLAVE illegally obtained possession of the apartment by filing false documents that indicated she was alive. When questioned about his mother's whereabouts, LALLAVE claimed she was in Hawaii. LALLAVE also allegedly under-reported his employment income so that NYCHA would lower his rent. LALLAVE allegedly defrauded NYCHA of \$20,278 from July 1998 and May 2002.

CARL McINTOSH, 28, allegedly resided as an unauthorized tenant in the 5-room apartment of his deceased mother, Thomasina, at Edenwald Houses in Baychester, Bronx. DOI investigators found that McINTOSH maintained his illegal possession of the apartment after his mother's death in May 2000 by completing and submitting affidavits with the forged signature of his mother so it appeared she was alive and living in the apartment. When interviewed by DOI investigators, McINTOSH continued to claim that his mother was living in the apartment, and that he had helped her complete the affidavits that were submitted to NYCHA.

SHARON GREEN, 48, obtained control of her grandmother's apartment at Grant Houses in the Harlem section of Manhattan without NYCHA's knowledge after her grandmother, Louise Miles, died in May 1999. DOI found that GREEN submitted false documents in 1999 and 2000 to make it appear that her grandmother was living in the apartment. GREEN further submitted a death certificate to NYCHA on which she allegedly altered her grandmother's date of death from May 27, 1999 to May 27, 2001, in order to make it appear that her grandmother had died recently. GREEN asked NYCHA if she could be added to the household because she had been caring for her grandmother since 1999. DOI confirmed through Public Assistance records that GREEN had been residing in and receiving welfare at her grandmother's apartment since 1999.

JEANETTE MELENDEZ, 51, allegedly resided illegally in the Lower East Side apartment of a deceased Baruch Houses tenant, Asuncion Rivera, from December 1998 until December 2001. DOI investigators discovered that shortly before Rivera's death MELENDEZ falsely claimed to be Rivera's niece when she asked NYCHA to let her live with Rivera. NYCHA denied MELENDEZ' request because she has several prior drug-related convictions and NYCHA policy stipulates that those with felony drug convictions can't live in public housing. However, MELENDEZ continued to live in the apartment illegally and did not report Rivera's death. MELENDEZ allegedly submitted a forged affidavit and an altered copy of a Social Security check to NYCHA to make it appear that Rivera was alive, receiving Social Security benefits, and living in the apartment. MELENDEZ' actions caused NYCHA to be defrauded of \$11,343 from February 1999 to December 31, 2001. MELENDEZ told DOI investigators that she knew she would lose the apartment when and if NYCHA learned about Rivera's death.

MARGARITA LEON, 42, illegally moved into the apartment of her grandmother Justa Morales, in Parkside Houses in Bronxdale after her grandmother died in 1996. For the next six years, until 2002, LEON submitted documents to NYCHA, which were supposedly signed by her grandmother, to continue her grandmother's tenancy. In 2002, LEON asked NYCHA if she could be added to the lease and claimed she had lived there since 1995 to take care of her grandmother. She also told NYCHA her grandmother had been diagnosed with cancer while in Puerto Rico on vacation and was too ill to return to New York. LEON was not added to the lease. DOI investigators also found that LEON concealed her own employment income as a Supervisor with the Human Resources Administration (HRA) from NYCHA. LEON's actions caused NYCHA to be defrauded of \$4,001 from 2000 to 2001.

CARL HOPKINS, 36, a NYCHA tenant who had legally resided with his mother Bernice Hopkins in Smith Houses on the lower East Side of Manhattan, failed to report to NYCHA that his mother died in 1993. Instead, he allegedly submitted affidavits each year that were supposedly signed by his mother and falsely indicated she was still residing in the apartment and receiving Social Security benefits, and that he was unemployed. However, DOI's investigation found that HOPKINS had been employed as a security guard for a private company. HOPKINS' actions caused NYCHA to be defrauded of \$17,659 from February 1998 to November 2002. Hopkins could have legally remained in the apartment after his mother's death because he was a previously reported family member, and could have become the "tenant of record" as a "remaining family member."

BOWANA ROBINSON, 37, a former New York City Department of Juvenile Justice employee, took illegal possession of the East Harlem, Washington Houses, apartment of his mother, Janie Robinson, after her death in 1996. From 1997 to 2002, six annual affidavits purportedly signed by Janie Robinson were filed with NYCHA and falsely indicated she lived alone and her only income was Supplemental Security Income (SSI). In support of these documents, phony Social Security Administration award letters purportedly issued to the deceased were submitted to NYCHA and indicated she received only \$566/month in benefits. Because ROBINSON had lived in the apartment before his mother died, he would have been able to remain a tenant. However, in addition to pretending his mother was alive, ROBINSON allegedly underreported his income and caused NYCHA to be defrauded of \$21,514 between 1997 and 2002. ROBINSON was arrested by DOI in June 2003 for defrauding the Municipal Credit Union (MCU) by withdrawing more than \$6,000 in funds from ATM machines following the World Trade Center tragedy on September 11, 2001. That case is still pending in Manhattan State Court.

These arrests are part of an ongoing City-wide crackdown by DOI and New York area prosecutors that have resulted since 1995 in the arrest of 331 residents, including 108 City, State, and Federal employees, who were charged with stealing more than \$6.5 million in rent and welfare subsidies by hiding their income and assets from the City. So far, 244 cases have resulted in convictions and over \$3.4 million in restitution. Since January 2004 alone, 36 individuals have been arrested for illegally receiving over \$550,000 in government housing benefits.

These investigations were conducted by DOI Assistant Commissioner and NYCHA Inspector General Steven A. Pasichow and members of his staff, including Deputy Inspector General Kevin Smith, Assistant

Inspector General Bergia Telesford, Chief Investigator Rosemary Caruso, and Confidential Investigators Alexandra Hampton, Patricia Carvajal and Anette Eriksson.

The Office of Charles J. Hynes, District Attorney, Kings County, is prosecuting the Fred Duff, Brian Duff, Beulah Johnson, and Maria McCants cases. The Office of Robert M. Morgenthau, District Attorney, New York County, is prosecuting the Sharon Green, Renee Lucas, Jeanette Melendez, Carl Hopkins, and Bowana Robinson cases. ADAs Rachel Ferrari, Hillary Puskar, Lucrece Francois, and Edgar Lopez are assigned to the matters. The Office Richard A. Brown, Queens District Attorney, is handling the Ismael Lallave case. ADA Christine Burke is assigned to the matter. The Office of Robert T. Johnson, District Attorney, Bronx County, is prosecuting the Carl McIntosh and Margarita Leon cases. ADAs Bert Oberlander and Pat Breen are assigned to the matters.

Criminal complaints are merely an accusation. Defendants are presumed innocent until proven guilty.

DEFENDANT INFORMATION:

Name	Charges
1. Fred Duff	Grand Larceny in the 3 rd degree
2. Brian Duff	Grand Larceny in the 3 rd degree
3. Beulah Johnson	Offering a False Instrument for Filing in the 1 st degree Criminal Possession of a Forged Instrument in the 3 rd degree Falsifying Business Records in the 1 st degree
4. Maria McCants	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree Criminal Possession of a Forged Instrument in the 2 nd degree Falsifying Business Records in the 1 st degree
5. Ismael Lallave	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree Criminal Possession of a Forged Instrument in the 2 nd degree
6. Sharon Green	Offering a False Instrument for Filing in the 1 st degree
7. Carl McIntosh	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree
8. Renee Lucas	Offering a False Instrument for Filing in the 1 st degree
9. Jeanette Melendez	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree
10. Margarita Leon	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree
11. Carl Hopkins, 36	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree
12. Bowana Robinson	Offering a False Instrument for Filing in the 1 st degree Grand Larceny in the 3 rd degree Offering a False Instrument for Filing in the 1 st degree Criminal Possession of a Forged Instrument in the 1 st degree

If convicted, those charged with Grand Larceny in the 3rd degree face up to seven years in jail. Those charged with Offering a False Instrument for Filing face up to four years in jail.

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To report someone ripping off the city, call 311 or DOI directly at (212) 825-5959.***