



The City of New York
Department of Investigation

ROSE GILL HEARN
COMMISSIONER

80 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

Release #23-2009
nyc.gov/html/doi

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 17, 2009

CONTACT: DIANE STRUZZI
(212) 825-5931

DOI ARRESTS MTA EMPLOYEE FOR ILLEGALLY OBTAINING THOUSANDS IN SECTION 8 SUBSIDIES
-- DOI arrested another individual earlier this month on charges involving Section 8 fraud--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrest of JONATHAN PHILLIPS, a Metropolitan Transportation Authority ("MTA") Station Agent, on charges of concealing his MTA employment income from the New York City Housing Authority ("NYCHA") to illegally obtain approximately \$38,229 in Section 8 rent subsidies for an East Harlem apartment. The investigation was conducted with the assistance of the MTA Office of the Inspector General.

Earlier this month, in a separate case, DOI arrested SHEILA CARTER on charges of defrauding NYCHA of approximately \$41,277 in Section 8 subsidies for an apartment located in Harlem.

The office of New York County District Attorney Robert M. Morgenthau is prosecuting both cases.

PHILLIPS, 38, was arrested today. CARTER, 48, was arrested on March 5, 2009. PHILLIPS and CARTER, both of Manhattan, have each been charged with one count of Grand Larceny in the Third Degree, a class D felony. PHILLIPS has been charged with three counts of Offering a False Instrument for Filing in the First Degree, a class E felony, and CARTER was charged with four counts of Offering a False Instrument for Filing in the First Degree. Upon conviction, a class D felony is punishable by up to seven years in prison and a class E felony by up to four years in prison.

DOI Commissioner Rose Gill Hearn said, "Defrauding the City's housing program to collect subsidies is conduct that every New Yorker should know is a crime that siphons precious taxpayer dollars from those in need of housing assistance."

According to the criminal complaint, PHILLIPS was a participant in NYCHA's Section 8 program between June 2005 and February 2009. As a result, his rent in a privately-owned apartment was based, in part, on PHILLIPS' representation of his income to NYCHA. DOI's investigation found that PHILLIPS was employed by the MTA since 2004 and earned approximately \$17,922 in 2004, \$38,430 in 2005, \$41,375 in 2006 and \$48,915 in 2007. However, PHILLIPS did not report that income on the affidavits of income he filed with NYCHA. Based on those filings, PHILLIPS received approximately \$38,229 in Section 8 subsidies between June 2005 and February 2009 that he was not entitled to receive.

According to the criminal complaint, CARTER was a participant in NYCHA's Section 8 program in which her rent for a privately-owned apartment was based, in part, by the income and household composition

more

she represented to NYCHA. DOI's investigation found that CARTER earned income of approximately \$30,824 in 2002, \$31,473 in 2003, \$35,014 in 2004, \$43,086 in 2005, \$37,833 in 2006 and \$42,657 in 2007 for her work at a package delivery company. DOI's investigation found that CARTER's daughter resided in the apartment and earned an income during that time. However, the investigation found that CARTER underreported her income and failed to report her daughter's income and residency at the apartment on the affidavits of income she filed with NYCHA. Based on those filings, CARTER was paid approximately \$41,277 in Section 8 subsidies between November 2002 and July 2008 that she was not entitled to receive.

DOI Commissioner Rose Gill Hearn thanked MTA Inspector General Barry L. Kluger and New York County District Attorney Robert M. Morgenthau, and their staffs, for their assistance on this investigation.

These investigations were conducted by DOI's Inspector General for NYCHA Robert J. McSweeney and members of his staff, including Deputy Inspector General Anthony Capek, Assistant Inspector General Robin Jacknow, and Special Investigator Patricia Sedacca.

Assistant District Attorney Victoria Phillips of the office of the New York County District Attorney, under the supervision of Tom Wornom, Bureau Chief of the District Attorney's Special Prosecutions Bureau, is assigned to the cases.

A criminal complaint is an accusation. A defendant is presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.

**Get the worms out of the Big Apple.
To report someone ripping off the City, call DOI at (212) 825-5959.**