



The City of New York
Department of Investigation

ROSE GILL HEARN
COMMISSIONER

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

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CONTACT: DIANE STRUZZI
(212) 825-5931

DOI ARRESTS FOUR CHARGED WITH HOUSING FRAUDS IN EXCESS OF \$119,000

--Arrests in four separate investigations cover a variety of housing fraud crimes; one defendant at large--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced the arrests of four individuals on charges that cover an array of housing fraud crimes, including: a mother and son who concealed their familial relationship and home ownership to steal Section 8 rent subsidies for a house they owned; a public housing tenant who failed to report a household member with a \$66,000 City job; a tenant who failed to report co-ownership of a Long Island home while subletting her New York City Housing Authority ("NYCHA") apartment; and a public housing tenant who owned and resided in a Manhattan co-op, while allowing others to reside in her public housing apartment. In all, NYCHA was defrauded of approximately \$119,810. The office of Preet Bharara, United States Attorney for the Southern District of New York, is prosecuting these cases.

Since 2002, DOI's housing fraud investigations have resulted in approximately 560 arrests involving more than \$11 million in fraud.

DOI Commissioner Rose Gill Hearn said, "Duping the government by concealing assets and income is no way to obtain or hold onto public housing benefits. As these arrests show, DOI's scrutiny in this area is ongoing and consistent. In fact, housing fraud investigations are a cornerstone of our mission because they save valuable housing dollars for individuals who are eligible. DOI will continue to work with the U.S. Attorney for the Southern District of New York, and our other federal partners, to stop crimes that deplete taxpayer funds and deprive qualified individuals of affordable housing. To that end, I met with the Inspector General for HUD this week to discuss our joint efforts going forward."

Yesterday, DOI arrested ENERCIDA M. GARCIA; CHRIS SANTOS; and MEI KI WAN. GARCIA's 39-year-old son remains at-large. The defendants were presented in U.S. District Court in Manhattan late yesterday.

On Tuesday, May 18, 2010, DOI arrested JOAN J. JOHNSON.

According to the criminal complaints:

- ENERCIDA GARCIA, 59, was charged with Conspiracy to Commit Offense or to Defraud the United States, and Theft of Public Money. If the charges result in convictions, these federal crimes are punishable by up to five years in prison and 10 years in prison, respectively. The arrest of her son, who is also charged in the complaint, is pending.

ENERCIDA GARCIA, as a tenant, began receiving rent subsidies in 1992 through NYCHA's Section 8 program, funded by the United States Department of Housing and Urban Development ("HUD"). In 2002, she transferred her subsidies to a house on Glen Street in Brooklyn, which her son acquired that year, and the son, as landlord, falsely certified that he was not related to ENERCIDA. In 2004, the son transferred the house to ENERCIDA, who transferred it to another individual in 2006. Meanwhile, in 2005, the son, as the supposed landlord, requested NYCHA's approval of a lease renewal with ENERCIDA, who, as the supposed tenant, signed an affidavit stating that neither she nor any member of her household owned or had a legal interest in any house, real estate, or income-producing asset. As a result of those and other misrepresentations, between 2002 and 2007, the defendants defrauded NYCHA of approximately \$40,329 in Section 8 benefits.

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Assistant U.S. Attorney Michael D. Lockard of the U.S. Attorney's Office for the Southern District of New York has been assigned to the prosecution.

- SANTOS, 36, of Manhattan, was charged with Theft of Public Money and five counts of False Statements. If the charges result in convictions, these federal crimes are punishable by up to 10 years in prison and up to five years in prison, respectively.

SANTOS resided in a public housing development in Manhattan and paid a reduced rent based, in part, on the household income and composition she reported to NYCHA. HUD is a primary source of funding for NYCHA public housing. DOI's investigation found that from 2005 through 2009 SANTOS repeatedly failed to report another individual living in the apartment and that individual's annual income of up to \$66,425 from his job as an associate urban park ranger with the City Department of Parks and Recreation. As a result of those misrepresentations, between February 2006 and April 2010, the defendant defrauded NYCHA of approximately \$47,988.

Assistant U.S. Attorney Serrin Turner of the U.S. Attorney's Office for the Southern District of New York has been assigned to the prosecution.

- WAN, 61, of Westbury, N.Y. was charged with four counts of False Statements. If the charges result in convictions, this federal crime is punishable by up to five years in prison.

WAN was listed as a resident in a NYCHA public housing development in Manhattan from 1977 through at least February 2009 and was required to report her household composition and income. DOI's investigation found that each year between 2005 and 2008 WAN reported she was living alone in the NYCHA residence and had no interest in any real estate. The investigation also found that, contrary to WAN's statements to NYCHA, in 1996 WAN and another individual had purchased a residence on Long Island, and that WAN resided there for a number of years, listed it as her residence on her driver's license, and, since 2003, registered two vehicles there, while another individual occupied WAN's NYCHA apartment and paid rent to WAN.

Assistant U.S. Attorney Brian A. Jacobs of the U.S. Attorney's Office for the Southern District of New York has been assigned to the prosecution.

- JOHNSON, 57, a.k.a. Jasmine J. Johnson, of Manhattan, was charged with four counts of False Statements, and Theft of Public Money. If the charges result in convictions, these federal crimes are punishable by up to five years in prison and 10 years in prison, respectively.

JOHNSON resided in a NYCHA housing development on the lower east side of Manhattan and was required to certify her household composition and income. DOI's investigation found that JOHNSON reported she had no interest in any real estate and she was the sole occupant of the apartment when, in fact, she was a shareholder of a cooperative apartment on West 121st Street in Manhattan and resided in the building for approximately the past 20 years. The investigation also found she allowed other individuals to reside in her NYCHA unit and that her Social Security Insurance benefits were mailed to a post office box that is linked to her cooperative address. As a result of these misrepresentations, between May 2005 and July 2009, the defendant defrauded NYCHA of approximately \$31,493.

Assistant U.S. Attorney Timothy D. Sini of the U.S. Attorney's Office for the Southern District of New York has been assigned to the prosecution.

Commissioner Gill Hearn thanked Preet Bharara, United States Attorney for the Southern District of New York; NYCHA Chairman John B. Rhea; NYCHA's Conventional and Leased Housing departments; and Rene Febles, Special Agent-in-Charge of the New York Field Office of the HUD Office of Inspector General, and their staffs, for their assistance in these investigations.

These investigations were conducted by DOI's Inspector General for NYCHA Kelvin Jeremiah, and members of his staff, including Senior Deputy Inspector General Ralph Iannuzzi, Deputy Inspectors General Bergia Telesford, and Osa Omoigui, and First Assistant Inspector General Rosemary Caruso, Chief Investigators Emily Bizzarro and Chris France, and Special Investigator Beth-Ann Permuy.

Criminal complaints are accusations. Defendants are presumed innocent until proven guilty.

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