



The City of New York
Department of Investigation

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**DOI ARRESTS THREE BRONX RESIDENTS ON CHARGES OF DEFRAUDING CITY HOUSING AUTHORITY
OF MORE THAN \$87,000 IN SECTION 8 SUBSIDIES**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced the arrests of two current and one former recipient of Section 8 benefits from the New York City Housing Authority ("NYCHA"). Each has been charged in separate cases with concealing their household income to obtain a total of more than \$87,000 in rent subsidies they were not entitled to receive. The offices of the U.S. Attorney for the Southern District of New York and the Bronx District Attorney are prosecuting the cases.

DOI Commissioner Rose Gill Hearn said, "Any Section 8 recipient foolish enough to conceal his or her income from the City housing authority should know it's only a question of time until the truth comes out. Then, what seemed like a clever way to obtain undeserved housing subsidies turns into criminal charges and potential prison time."

On Wednesday, July 15, 2009, RHONDA JORDAN, 35, was charged in Manhattan federal court with the theft of government funds from a federally-funded housing program. Upon conviction, this federal offense is punishable by up to 10 years in prison. The office of the U.S. Attorney for the Southern District of New York is prosecuting the case.

According to the criminal complaint, JORDAN was a Section 8 recipient in the Bronx while she worked at a health care facility between 2002 and 2009 and received an income of up to approximately \$32,000. DOI's investigation found that in documents submitted to NYCHA JORDAN omitted that income and employment and, instead, reported she was employed part-time with various employers and earned up to \$12,175 annually. As a result, between June 2004 and February 2009, JORDAN received approximately \$37,782 in Section 8 benefits from NYCHA she was not entitled to receive.

DOI arrested two other individuals earlier this month.

- On July 9, 2009, NATALIE LANE, 47, was charged with Grand Larceny in the Third Degree, a class D felony, and two counts of Offering a False Instrument for Filing in the First Degree, a class E felony. Upon conviction, a class D felony is punishable by up to seven years in prison and a class E felony is punishable by up to four years in prison. According to the criminal complaint, LANE received Section 8 benefits between 2004 and 2008 for an apartment in the Bronx, worked as a substance abuse counselor and earned income of up to \$55,000. DOI's

investigation found that LANE failed to report this income to NYCHA. As a result, between April 2004 and February 2008, LANE received approximately \$46,564 in Section 8 rental subsidies she was not entitled to receive.

- On July 1, 2009, JULIA PRICE, 45, was charged with Grand Larceny in the Third Degree and Criminal Possession of Stolen Property in the Third Degree, class D felonies; and six counts of Offering a False Instrument for Filing in the First Degree. According to the indictment, between February 2000 and August 2005, as a result of filing fraudulent documents with NYCHA, PRICE received an unspecified amount of Section 8 subsidies exceeding \$3,000, which she was not entitled to receive.

The Bronx District Attorney's Office is prosecuting LANE and PRICE.

Section 8 is a major federal government program for helping low-income families to afford housing in the private market. Participants in the program are free to choose any housing that meets the program's requirements. Each month, a housing subsidy is paid directly to the landlord on behalf of the participating family, and that family pays the difference between the actual rent and the amount subsidized by Section 8. Section 8 is funded by the United States Department of Housing and Urban Development ("HUD") and administered by the New York City Housing Authority.

Commissioner Gill Hearn thanked Lev L. Dassin, Acting U.S. Attorney for the Southern District of New York, Bronx District Attorney Robert T. Johnson, and NYCHA Chairman John B. Rhea, and their staffs, for their assistance in these investigations.

These investigations were conducted by DOI's Acting Inspector General for NYCHA, Kelvin Jeremiah, and members of his staff, including Deputy Inspectors General Bergia Telesford and Anthony Capek, First Assistant Inspector General Rosemary Caruso, Chief Investigators Christopher France and Graham Forbes, and Special Investigator Virginia Arana.

Criminal complaints and indictments are merely accusations. Defendants are 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.

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