



The City of New York
Department of Investigation

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DOI ARRESTS WOMAN FOR DEFRAUDING NYCHA OF \$23,000 IN RENT SUBSIDIES
Tenant collected Section 8 rental subsidies for an apartment that she sublet

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), announced today the arrest of CLARA REYES for allegedly defrauding the New York City Housing Authority (NYCHA) of over \$20,000 in Section 8 rent subsidies.

REYES, 61, of the Bronx, has been charged with Grand Larceny in the Third Degree, and Offering a False Instrument for Filing in the First Degree. If convicted, she faces up to seven years in prison.

Since 1990, REYES had been a NYCHA Section 8 tenant at 37 Featherbed Lane, Bronx, according to NYCHA records. From November 1999 through November 2004, REYES received monthly rent subsidies in amounts ranging from \$351 to \$401 towards her monthly rent of \$495. These subsidies were awarded based upon REYES' assertions that she lived alone in her subsidized apartment, and had an income of SSI benefits. However, DOI investigators determined that REYES has not resided in her subsidized apartment for at least the past five years. Instead, she was living in a house her son owned elsewhere in the Bronx, and sublet her Section 8 apartment to another individual for \$400/month. She visited the Section 8 address to collect her mail and to appear at inspections scheduled by NYCHA. As a result, from November 1999 to November 2004, NYCHA allegedly was defrauded of \$23,470.69 in Section 8 subsidies paid towards REYES' rent for an apartment she did not occupy.

DOI Commissioner Gill Hearn said, "For the second day in a row DOI is arresting someone who defrauded the City's Housing Authority of an undeserved rent subsidy. In this case the supposed tenant didn't even live in the subsidized apartment, but rented it out to someone else. If we have to make such arrests every day, we'll do that to stop such flagrant abuse of housing assistance that is intended for needy tenants."

This investigation was jointly conducted by NYCHA Inspector General Judith F. Abruzzo and members of her staff, including Deputy Inspector General Kevin Smith and Assistant Inspector General Rosemary Caruso.

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The Office of Bronx County District Attorney Robert T. Johnson is prosecuting the case. Assistant District Attorney Kathryn Mellusi, under the supervision of Bureau Chief Richard Baker of the District Attorney's Arson, Auto, and Economic Crime Unit, is handling the prosecution.

Criminal complaints are 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.

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