



The City of New York
Department of Investigation
ROSE GILL HEARN
COMMISSIONER

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

Release #78-2010
nyc.gov/html/doi

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 10, 2010

CONTACT: DIANE STRUZZI
(212) 825-5931

DOI CONTINUES CRACKDOWN ON HOUSING FRAUD WITH 16 ARRESTED IN PAST MONTH
--Four face federal charges for concealing City employment and rental income and double-dipping--

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today that four defendants face federal felony charges of stealing more than \$164,000 in Section 8 rent subsidies administered by the New York City Housing Authority ("NYCHA"). The defendants include a City employee and companion who are accused of concealing the City worker's income and her ownership of a rental building in Brooklyn; a Brooklyn tenant charged with fraudulently turning her subsidized apartment over to her sister while residing and receiving housing subsidies in Maryland; and a former Staten Island resident, arrested today and charged with concealing her husband's City salary of up to \$65,000.

Each defendant is charged with theft of public funds, a federal offense punishable on conviction by up to ten years in prison. The offices of Preet Bharara, United States Attorney for the Southern District of New York, and Loretta E. Lynch, United States Attorney for the Eastern District of New York, are prosecuting the cases.

DOI Commissioner Rose Gill Hearn said, "Every dollar stolen from the City's Section 8 program is one less dollar available for families who need housing assistance. Someone who conceals income, assets, or a second residence to obtain a taxpayer-funded rent subsidy is hurting someone less fortunate and risking criminal prosecution. DOI will continue to work with our partners in the federal and state prosecutors' offices, the Office of the Inspector General for the U.S. Department of Housing and Urban Development ("HUD"), and the City's housing agencies to thwart the corrosive effects of housing fraud."

According to the federal criminal complaints, the Section 8 Program, through HUD and local housing agencies, provides rent subsidies for low-income families. The amount of the subsidy is based, in part, on the family's reported household income.

Today's Arrest

- YOLANDA CUADRADO, 33, of Port St. Lucie, Florida, who is also known as Yolanda Aviles and Yolanda Muniz, was charged today with stealing approximately \$90,942 in Section 8 subsidies from NYCHA for a Staten Island apartment she leased between 2001 and 2008. According to the criminal complaint, CUADRADO failed to report that her husband, an employee of the City Department of Transportation, resided with her and received annual income of up to \$65,137. Assistant U.S. Attorney Vamshi Reddy from the office of U.S. Attorney's Office for the Eastern District of New York is prosecuting the case. DOI worked with the Office of the Inspector General for HUD on this investigation.

Recent Housing Fraud Arrests

Following are highlights from the other federally-charged cases:

- GERMAINE ROBINSON, 70, of Brooklyn, was arrested Tuesday, October 26, 2010. According to the criminal court complaint, from January 2006 through January 2010, ROBINSON stole approximately \$46,939 in Section 8 rent subsidies from NYCHA for her Brooklyn apartment by falsely reporting that she resided there alone, when DOI's investigation found that she was actually residing and receiving additional housing subsidies in Maryland. During that time, ROBINSON's sister, a citizen of Trinidad and Tobago with no legal status in the United States, resided in ROBINSON's subsidized Brooklyn apartment. In addition, the investigation found that ROBINSON submitted altered Social Security payment statements falsely
more

stating that she resided in Brooklyn. Assistant U.S. Attorney Michael Ferrara from the U.S. Attorney's Office for the Southern District of New York is prosecuting the case. DOI worked with the Office of the Inspector General for HUD on this investigation.

- GREGORY BOWEN, 43, of the Bronx, and KEISHA REASE, 40, of Manhattan, were arrested on Tuesday and Wednesday, October 26 - 27, 2010. According to the criminal complaint, BOWEN and REASE stole more than \$27,000 in Section 8 rental subsidies from NYCHA for their Manhattan apartment between 2006 and 2010. They are accused of concealing REASE's income of up to \$71,108 as a Congregate Care Specialist for the City Administration for Children's Services and the City Department of Juvenile Justice, and her ownership of and rental income from a building in Brooklyn. In addition, the investigation found that REASE provided NYCHA with a false Social Security number to prevent NYCHA from discovering her City income. Assistant U.S. Attorney Hadassa R. Waxman from the U.S. Attorney's Office for the Southern District of New York is prosecuting the case.

These four arrests cap a total of 16 housing fraud arrests resulting from DOI investigations since October 18, 2010, involving more than \$320,000 in theft. That week, the office of New York County District Attorney District Attorney Cyrus R. Vance, Jr., charged ten individuals, and the following week five individuals were charged in U.S. District Court for the Southern District of New York and New York County Criminal Court. The cases involve fraud against NYCHA, the City Department of Housing Preservation and Development ("HPD"), and the City Housing Development Corporation ("HDC").

Commissioner Rose Gill Hearn thanked NYCHA Chairman John B. Rhea, HPD Commissioner Rafael E. Cestero, HDC President Marc Jahr, U.S. Attorney for the Southern District of New York Preet Bharara, U.S. Attorney for the Eastern District of New York Loretta E. Lynch, New York County District Attorney Cyrus R. Vance, Jr., and Rene Febles, Special Agent in Charge of the New York office for the Office of Inspector General for HUD, and their staffs, for their dedicated partnership on these investigations.

These investigations were conducted by DOI's Inspector General for NYCHA Kelvin Jeremiah and members of his staff, including Deputy Inspectors General Anthony Capek and Osaretin Omoigui, Counsel to the Inspector General Kevin Smith, Assistant Inspectors General Robin Jacknow and J. Graham Forbes, Special Investigators Patricia Sedacca and Samuel Polland, and Confidential Investigators Martin Lintner and Tiffany Simmons.

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.

**DOI's press releases can also be found at twitter.com/doinews
Get the worms out of the Big Apple. To report someone ripping off the City, call DOI at (212) 825-5959.**