



The City of New York
Department of Investigation

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**DOI STATEMENT ON INDICTMENT OF TWO EXECUTIVES ON CHARGES OF EMBEZZLING
TENS-OF-THOUSANDS IN PUBLIC FUNDS FROM THEIR BRONX NOT-FOR-PROFIT**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement regarding the indictment of RICHARD IZQUIERDO ARROYO and MARGARITA VILLEGAS, executives of SBCC Management Corp., a Bronx not-for-profit, on embezzlement of public funds from the organization. SBCC Management Corp. receives federal and City housing assistance funds through two residential buildings in the Bronx for low-income, disabled and elderly tenants. The United States Attorney's Office for the Southern District of New York is prosecuting the case.

DOI Commissioner Rose Gill Hearn said, "Today's indictment is a significant development in this ongoing investigation and charges these two insiders with turning this publicly-funded not-for-profit into a personal piggy bank to shell out cash for an array of extravagances including shoes, restaurants, airfare, hotels, florists, spa treatments and car rentals. In addition, the defendants are now charged with participating in a phony invoice scheme that siphoned thousands of dollars from the buildings the not-for-profit managed and misusing the not-for-profit's funds to pay for interns to work for a City Council member and a state legislator. DOI is pleased to be working with the United States Attorney's Office in the Southern District of New York to expose these abuses and stop this type of fraud."

Commissioner Gill Hearn thanked Acting United States Attorney Lev. L. Dassin, Assistant United States Attorney Boyd M. Johnson III, Chief of the Public Corruption Unit, and their staff, and the Office of the Inspector General of the U.S. Department of Housing and Urban Development, for their assistance in this investigation.

The investigation was conducted by DOI's Investigative Audit Unit and the Public Assistance and Grants Unit.

An indictment 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.

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