



The City of New York  
Department of Investigation

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**A DOI INVESTIGATION LEADS TO THE ARREST OF A CITY HOUSING AUTHORITY  
RESIDENT FOR ALLEGEDLY DEFRAUDING THE GOVERNMENT OF \$71,599 IN HOUSING  
SUBSIDIES AND SOCIAL SECURITY BENEFITS**

***--DOI's investigation prompts probe by  
the Social Security Administration Office of the Inspector General--***

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrest of a resident of the New York City Housing Authority ("NYCHA") on allegations that he failed to report to NYCHA his employment as the president of a cleaning company. DOI alerted the Social Security Administration Office of the Inspector General ("SSA/OIG") of its findings and as a result SSA/OIG found that JORGE HERNANDEZ allegedly failed to report his employment income to the Social Security Administration ("SSA"). NYCHA and SSA were allegedly defrauded a total of \$71,599 between 1996 and 2005.

HERNANDEZ, 55, was arrested Thursday, December 13, 2007. In connection with the allegations involving NYCHA, he was charged with Grand Larceny in the Third Degree, a class D felony; Offering a False Instrument for Filing in the First Degree, a class E felony; and Falsifying Business Records in the First Degree, a class E felony. In connection with the allegations involving SSA he was charged with Grand Larceny in the Third Degree, a class D felony and Falsifying Business Records in the First Degree, a class E felony. If convicted, he faces up to seven years in prison.

According to the criminal complaint, HERNANDEZ lived in the Queensbridge South Houses between 1996 and 2004, a NYCHA housing development in Long Island City. HERNANDEZ allegedly failed to report to NYCHA his business income from owning a cleaning/janitorial company that did some contract work with New York City. HERNANDEZ's rental rate was based, in part, on the income he reported to NYCHA. As a result, NYCHA overpaid \$22,145 in rental subsidies to HERNANDEZ between February 1996 and November 2004. HERNANDEZ is president and owner of Joseph P. Hernandez, a company that performs cleaning services with a purported annual gross revenue of between \$50,000 and \$99,000.

According to the complaint, DOI informed SSA/OIG of its investigation, including that HERNANDEZ had received social security disability benefits. HERNANDEZ failed to notify SSA of the income he earned from his cleaning business. As a result, between November 1996 and December 2005, the SSA overpaid HERNANDEZ \$49,454 in social security disability benefits.

DOI Commissioner Rose Gill Hearn said, "Individuals who try to scam the government by falsely reporting their income will be caught and face serious consequences. DOI was pleased to work with the Inspector General for the Social Security Administration and the Queens District Attorney on this case to help protect funds earmarked for those in need. DOI will continue this cooperative effort to investigate those who siphon much-needed funds from the most vulnerable in our society."

Edward J. Ryan, New York Regional Inspector General for the Social Security Administration, said, "The fraud alleged in this complaint can only be properly addressed through the cooperative efforts employed in this type of joint criminal investigation. We look forward to continuing the successful partnership that has been developed over the past several years with both DOI and the Queens District Attorney's Office. Our Office is not only committed to the pursuit of those who defraud SSA programs, but to anyone who by means of deceit, illegally obtains government funds that are set aside for the most needy of our society."

Commissioner Rose Gill Hearn thanked Edward J. Ryan, New York Regional Inspector General for the Social Security Administration, and his staff, for their assistance on the investigation, including Special Agent Adam Schneider and Assistant Special Agents in Charge Scott Johnson and John Grasso. Commissioner Gill Hearn also thanked the Office of Queens District Attorney Richard A. Brown for prosecuting the case.

This investigation was conducted by NYCHA Inspector General Robert J. McSweeney and members of his staff, including Senior Deputy Inspector General Ralph Iannuzzi, Senior Assistant Inspector General Anthony Capek and Special Investigator Eric Malecki. This investigation was also conducted by Social Security Administration Office of the Inspector General, Special Agent Adam Schneider.

HERNANDEZ will be prosecuted by Assistant District Attorney Rosemary Buccheri from the Office of Queens District Attorney Richard A. Brown.

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.**