



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY PREET BHARARA

FOR IMMEDIATE RELEASE
Thursday, September 25, 2014
<http://www.justice.gov/usao/nys>

CONTACT: U.S. ATTORNEY'S OFFICE
James Margolin, Jerika Richardson,
Jennifer Queliz, Betsy Feuerstein
(212) 637-2600

DOI
Diane Struzzi
(212) 825-5931

**NEW YORK CITY HOUSING AUTHORITY EMPLOYEE CHARGED IN
MANHATTAN FEDERAL COURT WITH EMBEZZLING TENANTS'
RENT PAYMENTS**

Preet Bharara, United States Attorney for the Southern District of New York, and Mark G. Peters, the Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrest of KISHAWN SCARBORO, an employee of the New York City Housing Authority ("NYCHA"), for theft of government funds. SCARBORO, while employed as a NYCHA Housing Assistant, allegedly embezzled over \$90,000 in tenant rent payments owed to NYCHA, and hid her embezzlement by manipulating tenant records in NYCHA's computer system. SCARBORO voluntarily surrendered to DOI investigators this morning, and was presented this afternoon in Manhattan federal court before United States Magistrate Judge Kevin Nathaniel Fox. She was released on her own recognizance.

According to the allegations in the Complaint unsealed today in Manhattan federal court:

NYCHA is a New York City public entity that provides housing to low and moderate income New York City residents. NYCHA's operations are funded, in part, by grants from the United States Department of Housing and Urban Development ("HUD"). Each year, HUD provides millions of dollars in grants to NYCHA. In addition to grants from HUD, NYCHA is funded through monthly rental payments made by individuals residing in NYCHA housing. NYCHA maintains a computerized rent collection system which creates an account ledger for each tenant. Each NYCHA housing development is managed by a Housing Manager, who is responsible for reviewing and approving all rent changes and credits. Housing Assistants are NYCHA employees assigned to a particular building or set of tenants for whom they act as the primary point of contact with NYCHA.

From at least June 2010 until September 2013, SCARBORO, using her position as a Housing Assistant at the Jefferson Houses in Harlem, Manhattan, obtained rent checks and money orders from NYCHA tenants and deposited them in her personal bank account by double-endorsing the instruments and/or altering the payee information. Then, using the username and password of her supervisor at the Jefferson Houses, SCARBORO hid her embezzlement by entering false credits and rent adjustments into NYCHA's computerized rent collection system.

SCARBORO deposited approximately \$94,884 in checks and money orders into her personal bank account over the course of more than three years.

*

*

*

SCARBORO, 42, of Saylorsburg, Pennsylvania, is charged with one count of theft or bribery concerning programs receiving Federal funds, which carries a maximum sentence of 10 years in prison. The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendant will be determined by a judge.

Mr. Bharara thanked and praised the DOI for its work in this investigation, which he noted is ongoing.

This case is being handled by the Office's General Crimes Unit. Assistant United States Attorney Jessica K. Feinstein is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

14-276

###