



The City of New York  
Department of Investigation  
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COMMISSIONER

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**FORMER PRESIDENT AND CEO OF CITY-FUNDED NONPROFIT ORGANIZATION  
PLEADS GUILTY TO FEDERAL FRAUD CHARGES**

Mark G. Peters, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on the guilty plea of DEREK BROOMES, the former president and chief executive officer of the nonprofit housing organization Harlem Congregations for Community Improvement (“HCCI”) to one count of embezzling funds from a government-funded program and instead using the money to pay for personal expenses. HCCI provides various services, including services relating to housing and economic development. U.S. Magistrate Judge Kevin Nathaniel Fox presided over the plea in the United States District Court for the Southern District of New York. The Office of Geoffrey S. Berman, United States Attorney for the Southern District of New York, prosecuted the case. BROOMES is expected to be sentenced on April 26, 2018.

DOI Commissioner Mark G. Peters said, “This defendant stole public funds from some of the City’s neediest New Yorkers and his criminal conduct undermined one of the most basic needs of life – housing. DOI thanks the Office of the United States Attorney for the Southern District of New York for their partnership on this important case, helping us protect valuable taxpayer funds and vulnerable New Yorkers.”

BROOMES, 72, of the Bronx, N.Y., pleaded guilty to one count of embezzlement from a program receiving federal funds, a federal charge which carries a maximum term of imprisonment of ten years.

According to DOI’s investigation, since 2013, BROOMES stole more than \$200,000 in funds from HCCI using a corporate credit card issued in his name to purchase luxury items, including electronics and clothing, and other unauthorized expenses, including personal auto repairs and medical bills. To cover up these expenditures, BROOMES misappropriated federal funds that were provided to HCCI through the federally-funded Scattered Site Housing Program (“SSHP”), funds designated to subsidize rents for low-income individuals who are living with HIV and/or AIDS. As a result of these actions, HCCI was often unable to make rent payments for the apartments on a timely basis and tenants of the SSHP apartments were threatened with eviction.

DOI Commissioner Peters thanked United States Attorney for the Southern District of New York Geoffrey S. Berman, and his staff, for their partnership in this investigation.

The investigation was conducted by DOI’s Office of the Inspector General for City-funded Not-for-Profit Organizations, specifically Special Counsel Inna Spector and Assistant Inspector General Peter Relyea, with assistance from Investigative Auditors Rickey Young and Jeffrey Freeman, under the supervision of First Deputy

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Inspector General/Chief Forensic Auditor Ivette Morales, Inspector General Andrew Sein, Deputy Commissioner/Chief of Investigations Susan Lambiase and First Deputy Commissioner Lesley Brovner.

The case was prosecuted by the Office of the United States Attorney for the Southern District of New York specifically, Assistant United States Attorneys Edward B. Diskant and Alison G. Moe, with the assistance of Criminal Investigator Mason Posilkin.

*DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. 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 strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.*

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