



The City of New York
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Release #19-2022
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FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 19, 2022

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Remarks of DOI Commissioner Jocelyn E. Strauber: Press Conference on Affordable Housing Fraud

Thank you, District Attorney Bragg and to your dedicated prosecutors for your partnership on this case. I also want to thank HPD Commissioner Adolfo Carrion Jr. and his team for referring allegations to DOI, which prompted DOI's investigation.

This indictment demonstrates what City agencies and law enforcement can accomplish when they work together to expose wrongdoing and hold accountable those who use public assistance programs — such as the affordable housing program here — to enrich themselves, at the expense of those New Yorkers who need those programs.

The 421-a tax incentive program exists to help those who qualify for affordable housing, by offering incentives to developers and landlords to encourage the building of affordable housing units.

As charged in this indictment, instead of abiding by the rules of the 421-a program, these defendants misrepresented to the City that they were renting to income-qualified tenants at reduced affordable housing rates, when in fact, the tenants had not been screened to determine if they were qualified, and they were paying higher rents. These tactics allowed the defendants to pocket more than \$1.6 million in illegal property tax benefits, according to the charges.

This charged conduct harms the City in two ways — it removes accessible units from the housing market, hurting those who qualify for and are most in need of affordable housing, and reduces the City's revenue base by illegally reducing taxes paid by developers and landlords.

I'm proud to be here today with our partners at the Manhattan District Attorney's Office who are committed to exposing and stopping this fraud and corruption. Working together we will continue to protect affordable housing benefits for eligible and authorized New Yorkers and hold accountable those who exploit these tax credits for their personal gain.

Finally, I want to thank the DOI team that tirelessly worked this case, Investigative Auditor Giorgi Petriasvhili, Special Investigator Eric Johnson, and Examining Attorney Marc Assa under the supervision of Inspector General Michael Morris, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel Cort.

Thank you.

Indictments are accusations. Defendants are presumed innocent until proven guilty.

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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