



*United States Attorney
Southern District of New York*

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**DIRECTOR OF NOT-FOR-PROFIT ORGANIZATION SENTENCED
TO PRISON FOR EMBEZZLING OVER \$50,000 IN FEDERAL FUNDS
FROM LOW-INCOME TENANTS IN THE BRONX**

PREET BHARARA, United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation, announced that MARGARITA VILLEGAS was sentenced to ten months in prison for embezzling over \$50,000 from SBCC Management Corp., a not-for-profit organization that provides management services to residential buildings for low-income tenants and for which VILLEGAS still serves as executive director. VILLEGAS was also ordered to pay a fine of \$3,000 and restitution in the amount of \$54,414.83. United States District Judge ALVIN K. HELLERSTEIN imposed the sentence today in Manhattan federal court.

According to the Indictment to which VILLEGAS pleaded guilty, other documents filed in this case, and statements made during VILLEGAS' guilty plea proceeding:

VILLEGAS admitted to embezzling \$54,414.83 in SBCC Management Corp. money between May 2005 and February 2009, through a number of methods. She used an SBCC Management Corp. corporate credit card to charge \$13,344.82 in personal expenses, including expenses for clothes, shoes, restaurants, airfare, hotels, and gas; she also submitted \$26,040.01 in false and fraudulent requests for reimbursement, including requests for reimbursement that had been doctored to make it appear as though she had incurred expenses larger than the ones she actually incurred and requests for reimbursement for expenses she had never actually incurred in the first place. Additionally, she signed or caused to be signed checks that diverted \$15,050 for the benefit of elected officials with whom she had relationships,

including: campaign contributions made to a New York State Assemblywoman, payments for new flooring in the Assemblywoman's office, and payments to summer interns working in the Assemblywoman's office and in the office of a New York City Councilmember.

VILLEGAS' co-defendant, RICHARD IZQUIERDO ARROYO, is currently scheduled to be sentenced before Judge HELLERSTEIN on June 25, 2010, at 11:00 a.m.

Mr. BHARARA praised the investigative work of the New York City Department of Investigation in this case.

This prosecution is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys RUA M. KELLY and MICHAEL S. BOSWORTH are in charge of the prosecution.

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