



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
MARCH 27, 2006**

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MARRIED COUPLE INDICTED FOR HOUSING-SUBSIDY SWINDLE

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that RAQUEL AROCHO (also known as Raquel D'Saronno) and ANDINO D'SARONNO were indicted in Manhattan federal court for a scheme to defraud the New York City Housing Authority ("NYCHA") and the United States Department of Housing and Urban Development ("HUD") of nearly \$50,000 in federal money intended to help low income New Yorkers obtain subsidized housing.

The one-count Indictment charges that AROCHO and D'SARONNO collected \$49,184 in Section 8 housing subsidies over more than five years, through fraud and deceit. As set forth in the Complaint previously filed by the Government on February 16, 2006, AROCHO and D'SARONNO submitted fraudulent affidavits and contracts to NYCHA claiming to be "tenant" and "landlord" of a Section 8 residence on Freeborn Street, in Staten Island. In fact, the Complaint charges, AROCHO and D'SARONNO were married and living together while receiving the housing subsidies, which is prohibited under the Section 8 program.

Moreover, according to the Complaint, D'SARONNO and AROCHO not only failed to report that they were husband and wife, rather than landlord and tenant, but AROCHO also repeatedly submitted false affidavits to NYCHA representing that she qualified for Section 8 subsidies because had no ownership interest in any business or property, no employment income, and no other assets. In fact, as set forth in the Complaint previously filed by the Government on February 16, 2006, AROCHO and her husband jointly purchased real estate in Florida in 2001 for \$179,900, and purchased a home in Staten Island, at 326 Eltingville Boulevard, in 2003 for \$559,935, while receiving Section 8 housing subsidies. According to the Complaint, public records also show that, since at least 2002, AROCHO has been the Director of two real estate businesses active in Florida. AROCHO also failed to report to NYCHA the income she received in 1998 while working for a Staten Island employment agency that is no

longer in existence.

The Section 8 rental assistance program is regulated and fully funded by HUD. Its goal is to provide affordable housing for low-income families through federal subsidies. As part of the Section 8 Program, HUD pays subsidies for people to live in private housing of the tenant's choosing. The Section 8 Program is administered locally by NYCHA, which is headquartered at 250 Broadway in Manhattan.

AROCHO and D'SARONNO each face a maximum sentence of ten years' imprisonment on the charge of theft of government funds. In addition, the Indictment includes an asset forfeiture provision to recoup the full amount of the \$49,184 in the Government's losses.

Mr. GARCIA stated: "The Section 8 Housing Program helps thousands of truly needy New Yorkers to obtain affordable housing. Those who bilk the Government by collecting Section 8 subsidies through lies or deceit should expect to face prosecution as a result of their greed."

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation, which supervises the New York City Housing Authority Office of the Inspector General, stated: "These defendants allegedly hid their marriage, as well as significant assets, from NYCHA in order obtain over \$49,000 in undeserved housing subsidies. In doing this, they may have deprived many other needy citizens of affordable public housing. DOI will continue to investigate and arrest those who try to scam NYCHA in order to pay lower rents and to receive subsidies to which they are not entitled."

Mr. GARCIA thanked the New York City Housing Authority Office of Inspector General and the HUD Office of Inspector General.

Assistant United States Attorney LISA ZORNBERG is in charge of the prosecution.

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

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