



*United States Attorney  
Southern District of New York*

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**U.S. CHARGES FOUR NEW YORKERS WITH  
HOUSING-SUBSIDY FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today the arrests of four individuals on charges of defrauding the New York City Housing Authority ("NYCHA") and the United States Department of Housing and Urban Development ("HUD") of tens of thousands of dollars in federal money intended to help low-income New Yorkers obtain subsidized housing.

The individuals were arrested on separate Complaints charging each with fraudulently receiving excessive rent subsidies by under-reporting their income. Defendants ROSAURA TORRES, age 50, and LAVERNE RICE, age 37, are each charged with making false statements by failing to disclose their household income in affidavits submitted to obtain rent subsidies for their NYCHA public housing apartments. TORRES is charged with failing to report over \$145,000 in income and, as a result, receiving over \$23,000 in benefits to which she was not entitled. RICE is charged with failing to disclose over \$100,000 in earnings and thereby obtaining an excess of \$16,000 in rent subsidies to which she was not entitled.

Defendants ZAMARA BURNETT, age 30, and MARIA CALDERON, age 37, both of whom were participants in a Section 8 housing subsidy program, were each charged with failing to disclose that they shared their apartments with their spouse and/or boyfriend. As a result, according to the Complaints, they fraudulently obtained benefits to which they would not be entitled had they disclosed their husbands' incomes. BURNETT is charged with obtaining over \$15,000 in excess subsidies as a result of her fraudulent activity. In a separate complaint, CALDERON is charged with defrauding the Government of over \$18,000 in public housing benefits.

The Section 8 rental assistance program is regulated and funded by HUD with a goal of providing affordable housing for

low-income families through federal subsidies. As part of the Section 8 Program, HUD subsidizes the rent for qualified people to live in private housing of the tenant's choosing. The Section 8 program is administered locally by NYCHA, which is headquartered in Manhattan.

NYCHA also operates housing facilities throughout the City of New York, commonly known as public housing. Public housing rents are reduced based on the tenants' ability to pay; therefore, the rental income does not meet NYCHA operating costs. HUD is the primary source of funding for NYCHA and public housing.

TORRES and RICE each face a maximum sentence of five years' imprisonment on the charges that they made false statements on their public housing affidavits. BURNETT and CALDERON each face a maximum sentence of ten years' imprisonment on the charge of theft of government funds. In addition, all four defendants may face asset forfeiture claims to recoup the full amount of the Government's losses.

RICE was arrested yesterday, presented before United States Magistrate Judge Andrew J. Peck, and released. BURNETT, CALDERON, and TORRES were arrested this morning and are expected to appear today in federal Magistrate court.

Mr. GARCIA stated, "Our federal and city public housing programs are designed to help the neediest New Yorkers. Violating the guidelines for these programs not only hampers this goal but may result in criminal penalties."

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, "We will continue to arrest those who try to defraud NYCHA by hiding their assets and/or employment in order to pay lower rents and receive housing subsidies to which they are not entitled. These individuals are depriving other needy New Yorkers of affordable housing."

Mr. GARCIA thanked the NYCHA Office of Inspector General and the HUD Office of Inspector General.

Assistant United States Attorneys JEFFREY BROWN, LOYAAN A. EGAL, JOSEPH FACCIPONTI, and WILLIAM J. HARRINGTON are in charge of the prosecutions.

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

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