

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 318

UNITED STATES OF AMERICA

v.

ANGELA WILLIAMS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 371, 1001,
1519, 1951, and 2

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

JEREMY ROSENMAN, being duly sworn, deposes and says that he is a Special Agent with the United States Attorney's Office, Southern District of New York, and charges as follows:

COUNT ONE
**(Conspiracy to Solicit and Receive a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about June 2019 up to and including at least in or about March 2022, in the Southern District of New York and elsewhere, ANGELA WILLIAMS, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, solicitation and receipt of a bribe by an agent of an organization receiving federal funds, in violation of Title 18, United States Code, Section 666(a)(1)(B).

2. It was a part and an object of the conspiracy that ANGELA WILLIAMS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority ("NYCHA"), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, would and did corruptly solicit and demand for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, WILLIAMS conspired to solicit and accept a total of at least approximately \$15,000 in bribes in exchange for arranging for certain contractors to receive contracts from NYCHA worth at least \$5,000.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, ANGELA WILLIAMS, the defendant, committed or caused to be committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about June 12, 2019, when a co-conspirator ("CC-1") asked WILLIAMS if receiving a \$1,000 per no-bid contract from NYCHA contractors was acceptable

to her (“1k per cool?”), WILLIAMS agreed by stating, in substance and in part, “No problem babe.”

(Title 18, United States Code, Section 371.)

COUNT TWO
(Conspiracy to Commit Extortion Under Color of Official Right)

4. From at least in or about June 2019 up to and including at least in or about March 2022, in the Southern District of New York and elsewhere, ANGELA WILLIAMS, the defendant, and others known and unknown, knowingly combined, conspired, confederated, and agreed together and with each other to commit extortion under color of official right, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and would and did obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, WILLIAMS conspired to obtain money from NYCHA contractors, under color of official right and with the contractors’ consent, that was not due WILLIAMS or her office.

(Title 18, United States Code, Section 1951.)

COUNT THREE
(Destruction of Evidence)

5. On or about January 11, 2023, ANGELA WILLIAMS, the defendant, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, and made a false entry in a record, document, and tangible object with the intent to impede, obstruct, and influence the investigation and proper administration of a matter within the jurisdiction of a department and agency of the United States, and in relation to and in contemplation of such a matter, to wit, WILLIAMS caused the contents of her cellphone to be destroyed with the intent to impede and obstruct an investigation by the United States Attorney’s Office for the Southern District of New York.

(Title 18, United States Code, Sections 1519 and 2.)

COUNT FOUR
(False Statements)

6. On or about January 19, 2023, in the Southern District of New York and elsewhere, ANGELA WILLIAMS, the defendant, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation, to wit, during an interview with a Special Agent with the United States Attorney’s Office for the Southern District of New York, WILLIAMS falsely stated, in sum and substance, that a particular cellphone service provider in New York, New York, had deleted the contents of her cellphone to resolve a technical issue with the cellphone, when in truth and in fact, WILLIAMS had deleted or caused to be deleted the contents of the cellphone after learning that law enforcement agents had gathered electronic evidence from another individual’s cellphone that implicated her in criminal conduct.

(Title 18, United States Code, Section 1001(a)(2).)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

7. I am a Special Agent in the United States Attorney's Office for the Southern District of New York (the "USAO"), and I have been personally involved in the investigation of this matter. I have been employed by the USAO since 2016. I and other members of the investigative team, which also includes agents from the United States Department of Housing and Urban Development – Office of the Inspector General ("HUD-OIG"), United States Department of Homeland Security – Homeland Security Investigations ("HSI"), the United States Department of Labor – Office of the Inspector General ("DOL-OIG"), and the New York City Department of Investigation ("NYC DOI") (collectively, the "Investigating Agencies"), have experience with bribery and extortion investigations and techniques associated with such investigations.

8. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

9. As set forth in more detail below, there is probable cause to believe that ANGELA WILLIAMS, the defendant, an employee of NYCHA at all relevant times, conspired to solicit and accept bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, conspired to extort contractors under color of official right, destroyed evidence with the intent to impede and obstruct a federal criminal investigation, and made false statements to federal agents in the course of that same investigation.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

10. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA's operations are funded, in part, by grants from the United States Department of Housing and Urban Development ("HUD"). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA's budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions "in a manner providing full and open competition." As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

WILLIAMS’S EMPLOYMENT BY NYCHA

11. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ANGELA WILLIAMS, the defendant:

- a. From at least in or about March 2019 through at least in or about February 2023, WILLIAMS was employed as a Housing Manager at Farragut Houses, a NYCHA development located in Brooklyn, New York.²
- b. On or about February 23, 2023, WILLIAMS retired from NYCHA employment.

WILLIAMS’S SCHEME TO OBTAIN PAYMENTS FOR NYCHA CONTRACTS

Background on WILLIAMS’s Co-Conspirator

12. Based on my review of NYCHA records, I have learned the following, in substance and in part, regarding WILLIAMS’s co-conspirator, CC-1:

- a. From at least in or about March 2015 through at least in or about April 2021, CC-1 was employed as a superintendent at Douglass Houses, a NYCHA development located in New York, New York (other than from in or about February 2020 through in or about April 2020, when CC-1 worked in the Department of Prevention and Intervention Strategies).

² A Housing Manager is above the superintendent in the organizational structure of a NYCHA development and oversees management and maintenance operations at the development.

b. From at least in or about April 2021 through at least in or about September 2022, CC-1 was employed as a superintendent with the NYCHA Office of Mold Assessment and Remediation.

c. On or about September 30, 2022, after a disciplinary suspension related to federal charges against CC-1 for soliciting and accepting bribes, CC-1 retired from NYCHA employment.

The Bribery and Extortion Scheme

13. Based on my discussions with other law enforcement officers and review of reports prepared by other law enforcement officers and my review of text messages obtained pursuant to judicially-authorized search warrants, I have learned the following, in substance and in part, regarding the scheme by CC-1 and ANGELA WILLIAMS, the defendant, to obtain money from contractors for NYCHA contracts:

a. In at least in or about June 2019, CC-1 told WILLIAMS about CC-1's scheme to obtain from contractors \$1,000 for each no-bid purchase order contract that CC-1 awarded to the contractors. In a series of June 12, 2019 text messages (which CC-1 later deleted from his phone, but which law enforcement was able to recover), CC-1 wrote to WILLIAMS: "1k per cool?" WILLIAMS responded, "1k per what?" CC-1 replied, "Po" (*i.e.*, purchase order). WILLIAMS replied, "No problem babe as long as you are being blessed. How many should we have with the task at hand[?]" CC-1 replied, "Not me you only..lol."

b. Approximately one week later, on or about June 18, 2019, CC-1 told WILLIAMS (in another text message that CC-1 deleted from his phone) to call a certain contractor and "tell him [to] send several proposals. Tell him I told you that he could get a second company to help him out" – *i.e.*, set up a second company in order to circumvent NYCHA restrictions on how much work could be awarded to a single contractor.

c. On or about February 11, 2020, CC-1 told a certain contractor ("Contractor-1"), in a text message CC-1 deleted from his phone, to "***please take care of my friend in Farragut***. She will be very disappointed. Give me a proposal from the other company and I'll get you a po tomorrow too so ***you could give her 5k total***. I'll make up the difference cause she is my good friend. I'll also give you 2 developments next month. Deal? Call me in the morning and send over the proposal. ***One from me and one from her total***. I'm going to give you a job already compl [*sic*] for the other company. Just come sign the book. Let me know please erase this text after you read it." (Emphases added). That is, CC-1 told Contractor-1 to give WILLIAMS \$5,000, and in exchange CC-1 promised to award purchase orders to Contractor-1 – including one for work that had already been completed, and all Contractor-1 needed to do was sign "the book" (which appears to refer to a book the contractor used to sign in when arriving at the job site for work).³

d. CC-1 continued to assist contractors with obtaining purchase orders at WILLIAMS's housing development in exchange for bribes to WILLIAMS. On or about February 3, 2022, CC-1 asked WILLIAMS to help a new contractor ("Contractor-2") be approved to obtain contracts from NYCHA, because CC-1 was no longer able to take such steps in his new

³ On or about April 7, 2023, counsel for Contractor-1 conveyed to the Government that Contractor-1 claimed to lack any knowledge about bribery conduct.

position with the Office of Mold Assessment and Remediation, rather than at a housing development: “Babe[,] Could you put a company through for someone? All you would need to do is sign the documents as the approved and get anyone to sign as the requestor. Then send it in. ***You will receive 5 per. There are 2 of them.*** Let me know. I attempted but he told me after I did the one last week that I wasn’t working in a development anymore so I couldn’t put it through. ***That has been my side hustle..lol 1k per.***” (Emphasis added).

e. On or about March 9, 2022, when the first purchase order for Contractor-2 was approved Farragut Houses, CC-1 wrote to Contractor-2, “Good morning Brother[.] You have your first of many PO’s. Please do a great job but ***do not go nowhere near the cost that was projected. We will speak in the next day or so so I could explain the rest of how it works for her.*** Have a blessed day” (emphasis added). CC-1 then told Contractor-2 to get a particular encrypted messaging application.

f. On or about February 17, 2023, Contractor-2, accompanied by counsel, was interviewed by law enforcement. Contractor-2 stated, in substance and in part, that CC-1 had asked Contractor-2 to complete certain contracting work at Farragut Houses, and CC-1 and WILLIAMS both assisted Contractor-2 in obtaining approval for the contract. Contractor-2 further stated, in substance and in part, that after the first no-bid contract was awarded to Contractor-2, CC-1 told Contractor-2 that WILLIAMS wanted to be paid for assisting in awarding Contractor-2 the contract. Contractor-2 told CC-1 that Contractor-2 would not pay WILLIAMS, and CC-1 later called Contractor-2 back and said, in substance and in part, that there had been a communication error and Contractor-2 did not have to pay WILLIAMS. Although Contractor-2 had discussed three contracts at Farragut Houses with CC-1 and WILLIAMS, Contractor-2 was not awarded the additional two contracts after refusing to pay WILLIAMS.

WILLIAMS’S DESTRUCTION OF EVIDENCE AND FALSE STATEMENTS

14. Based on my review of public records related to CC-1’s federal case, cellphone call detail records and location data, my discussions with other law enforcement agents, my review of notes from federal prosecutors, and my participation in an interview with ANGELA WILLIAMS, the defendant, I have learned the following, in substance and in part, about WILLIAMS’s destruction of evidence and false statements to law enforcement once WILLIAMS became aware that her involvement in the bribery scheme with CC-1 was under federal criminal investigation:

a. On or about October 7, 2022, CC-1 pleaded guilty to receipt of a bribe in violation of 18 U.S.C. § 666(a)(1)(B), and his sentencing was scheduled for January 25, 2023.

b. On or about the morning of January 11, 2023, several weeks prior to CC-1’s sentencing, CC-1’s attorney was informed about the text messages between CC-1 and WILLIAMS that showed WILLIAMS’s involvement in CC-1’s bribery schemes.

c. Also on or about January 11, 2023, there were multiple calls between WILLIAMS and CC-1 between approximately 12:47 p.m. and 3:05 p.m.

d. Also on or about January 11, 2023, at approximately 3:40 p.m., WILLIAMS's personal cellphone (the "Cellphone") underwent a "factory reset," which wiped most of the data and text messages prior to that date from the Cellphone.⁴

e. On or about January 18, 2023, based in part on the evidence of WILLIAMS's involvement in the bribery scheme described above, two cellphones including the Cellphone were seized from WILLIAMS pursuant to a judicially-authorized search warrant.

f. A search of the Cellphone – the cellphone with which WILLIAMS exchanged the text messages with CC-1 that are described above – revealed the January 11, 2023 factory reset.

g. On or about January 19, 2023, I and other law enforcement agents interviewed WILLIAMS, who was represented by counsel. During that interview, WILLIAMS, in substance and in part, denied that CC-1 had ever communicated with WILLIAMS about receiving bribes of \$1,000 per purchase order. In addition, WILLIAMS denied that, during the week of January 11, 2023, CC-1 had provided WILLIAMS with any information related to his case or the Government's awareness of her possible involvement in criminal conduct.

h. During the January 19, 2023 interview, WILLIAMS also denied purposefully wiping the Cellphone in order to delete text messages. WILLIAMS said, in substance and in part, that due to a technical issue with the Cellphone, she had had to take it to a particular cellphone store in Manhattan (the "Cellphone Store") and an employee of the store had to reset the Cellphone, which resulted in the loss of her text messages and other data.

i. Cellphone location data for the Cellphone on January 11, 2023, shows that the Cellphone was in Brooklyn, New York, at the time of the factory reset, and was not in the vicinity of the Cellphone Store in Manhattan to which WILLIAMS claimed to have taken the Cellphone.

j. The Cellphone Store has no record of a customer visit on January 11, 2023, related to the Cellphone.

⁴ After the factory reset, WILLIAMS (using the same phone number) began communicating with CC-1 on a different phone number used by CC-1.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ANGELA WILLIAMS, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

JEREMY ROSENMAN
Special Agent
U.S. Attorney's Office
Southern District of New York

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 25th day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 394

UNITED STATES OF AMERICA

v.

RAYMOND NUNEZ,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about November 2016 through at least in or about September 2022, in the Southern District of New York and elsewhere, RAYMOND NUNEZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years from 2016 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, NUNEZ solicited and accepted a total of at least approximately \$12,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$107,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about November 2016 through at least in or about September 2022, in the Southern District of New York and elsewhere, RAYMOND NUNEZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, NUNEZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due NUNEZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that RAYMOND NUNEZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

RAYMOND NUNEZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of RAYMOND NUNEZ, the defendant:

- a. From at least in or about July 2016 through at least in or about August 2017, NUNEZ was employed as an assistant superintendent at Farragut Houses, a NYCHA development located in Brooklyn, New York.
- b. From at least in or about July 2018 through the present, NUNEZ has been employed as an assistant superintendent at Marcy Houses, a NYCHA development located in Brooklyn, New York

RAYMOND NUNEZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Farragut Houses and Marcy Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-2,” “CW-24,” and “CW-26” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I

a. Since at least 2015, CW-2 performed contracting work for NYCHA with several contracting companies (the “CW-2 Companies”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. The CW-2 Companies began performing no-bid purchase order work at Farragut Houses in or about November 2015. The CW-2 Companies were awarded at least approximately 14 no-bid contracts at Farragut Houses from in or about November 2016 through in or about August 2017, during the time in which RAYMOND NUNEZ, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid NUNEZ and another NYCHA employee, specifically, an assistant resident buildings superintendent at Farragut Houses, for the no-bid contracts CW-2 received at Farragut Houses. CW-2 typically paid NUNEZ and the other NYCHA employee approximately 10% of the contract price of the no-bid contracts that CW-2 received. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid either NUNEZ or the assistant resident buildings superintendent approximately \$500 in cash per contract.

c. The CW-2 Companies were awarded at least approximately 35 no-bid contracts at Marcy Houses from in or about November 2018 through in or about September 2022, during the time in which NUNEZ served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid NUNEZ approximately \$600 to \$700 in cash per contract for at least approximately ten no-bid contracts that the CW-2 Companies were awarded at Marcy Houses.

d. CW-2 understood, based on CW-2’s interactions with NUNEZ and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to NUNEZ, CW-2 would not be awarded additional no-bid contracts for work at NYCHA developments.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of NUNEZ among photographs of dozens of other individuals. CW-2 identified the photograph of RAYMOND NUNEZ as “Raymond,” the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”),⁴ who has performed work at NYCHA’s Marcy Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least 2018, CW-24 performed contracting work for NYCHA as an owner and operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to those interviews.

b. CW-24 performed no-bid purchase order work at Marcy Houses from in or about September 2018 through in or about October 2019. CW-24 was awarded at least approximately five no-bid contracts at Marcy Houses during this time period. CW-24 paid a Marcy Houses employee whom CW-24 identified as an “assistant super” and whom CW-24 stated was named “Nunez” for certain no-bid contracts CW-24 was awarded at that NYCHA development. CW-24 paid “Nunez” approximately \$1,000 in cash for at least approximately two no-bid contracts that “Nunez” awarded CW-24 at Marcy Houses. CW-24 stated that, prior to Marcy Houses, “Nunez” worked at Farragut Houses as an “SOC” (that is, supervisor of caretakers).

c. For the reasons explained below, I believe that the person whom CW-24 identified as “Nunez” and paid at Marcy Houses is RAYMOND NUNEZ, the defendant.

i. During the time that CW-24 performed no-bid purchase order work at Marcy Houses, NUNEZ was the assistant superintendent at that NYCHA facility. There were no other employees named Nunez at Marcy Houses during that time period.

ii. NYCHA records include NUNEZ’s name in connection with each of no-bid purchase order jobs that CW-24 performed at Marcy Houses and indicate each of the jobs is “closed” (which indicates a NYCHA employee approved the completed work).

iii. Prior to serving as the assistant superintendent at Marcy Houses, NUNEZ served as a supervisor of caretakers and then assistant superintendent at Farragut Houses. CW-24 performed no-bid purchase order work at Farragut Houses while NUNEZ was supervisor of caretakers and assistant superintendent at that NYCHA facility.⁵

iv. NYCHA records also show that NUNEZ’s identification badge usually “punched in” at Marcy Houses between at least in or about September 2018 through in or about October 2019, including on dates that CW-24 was awarded no-bid contracts at that development.

d. CW-24 understood, based on CW-24’s interactions with NUNEZ and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to NUNEZ, CW-24 would not be awarded additional no-bid contracts for work at Marcy Houses.

e. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of NUNEZ among photographs of dozens of other individuals, but did not identify the photograph of NUNEZ, nor did CW-24 identify any other photographs as appearing to be the individual CW-24 knew as “Nunez.”

10. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-26”),⁶ who has

⁵ CW-24 did not pay NUNEZ for any no-bid contracts at Farragut Houses.

⁶ CW-26 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-2, CW-24, and CW-26 have never worked at any of the same contracting companies as one another. CW-2, CW-24, and CW-26 were all interviewed separately and instructed by law enforcement not to discuss the substance of

performed work at NYCHA's Marcy Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least 2020, CW-26 performed contracting work for NYCHA as an owner and operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-26 performed no-bid purchase order work at Marcy Houses from in or about November 2020 through in or about November 2021. CW-26 was awarded at least approximately four no-bid contracts and one blanket purchase agreement during that time period. CW-26 paid a Marcy Houses employee whom CW-26 identified as "Raymond Nunez"⁷ for at least approximately three contracts CW-26 received at that NYCHA development. CW-26 paid "Raymond Nunez" approximately \$500 to \$1,000 in cash for each contract.

c. For the reasons explained below, I believe that the person whom CW-26 identified as "Raymond Nunez" and paid at Marcy Houses is RAYMOND NUNEZ, the defendant.

i. During the time that CW-26 performed no-bid purchase order work at Marcy Houses, NUNEZ was the assistant superintendent at that NYCHA facility.

ii. NYCHA records include NUNEZ's name in connection with at least two of the no-bid purchase order contracts that CW-26 was awarded at Marcy Houses and indicate each of the jobs is "closed" (which indicates a NYCHA employee approved the completed work).

iii. CW-26 has a contact saved in CW-26's cellphone with the name "Marcy House Sister Supper M/o Raymond Nunez," a particular phone number ending in -6079 (the "NUNEZ Number"), and NUNEZ's NYCHA email address. Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the NUNEZ Number is a personal phone number used by RAYMOND NUNEZ, the defendant.

d. CW-26 understood, based on CW-26's interactions with NUNEZ and with other NYCHA employees who similarly required payments for work, that if CW-26 did not make payments to RAYMOND NUNEZ, CW-26 would not be awarded additional no-bid contracts for work at Marcy Houses.

e. On or about December 15, 2023, CW-26 reviewed photobooks containing a photograph of NUNEZ among photographs of dozens of other individuals, but did not identify the photograph of NUNEZ, nor did CW-26 identify any other photographs as appearing to be the individual CW-26 knew as "Raymond Nunez."

their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2, CW-24, and CW-26 know each other.

⁷ Notes from one of the proffers with CW-26 indicate that CW-26 identified this NYCHA employee as "Raymond Nunez," while notes from another proffer with CW-26 indicate that he identified the NYCHA employee as "Raymond Nunel." The latter notes likely reflect a misunderstanding of what CW-26, who is not a native English speaker, said caused by CW-26's accented speech.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of RAYMOND NUNEZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission

SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

LINDSAY WADE,

Defendant.

24 MAG 395

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about August 2019 through at least in or about June 2022, in the Southern District of New York and elsewhere, LINDSAY WADE, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, WADE solicited and accepted a total of at least approximately \$8,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$64,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about August 2019 through at least in or about June 2022, in the Southern District of New York and elsewhere, LINDSAY WADE, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, WADE, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due WADE or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that LINDSAY WADE, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

WADE’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of LINDSAY WADE, the defendant:

a. From at least in or about January 2019 through the present, WADE was employed as a superintendent at Albany Houses, a NYCHA development located in Brooklyn, New York.

WADE’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my review of certain bank records, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-14”)² who has performed work at NYCHA’s Albany Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-14 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-14 began performing no-bid purchase order work at Albany Houses in or about August 2019. CW-14 was awarded at least approximately seven no-bid contracts at Albany Houses from in or about August 2019 through in or about August 2020 (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work), during the time in which LINDSAY WADE, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-14 paid WADE approximately \$1,000 in cash each for approximately three to six no-bid contracts at Albany Houses worth approximately \$5,000

² The cooperating witnesses referenced in this Complaint are designated as “CW-14” and “CW-16” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-14 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

each.⁴ CW-14 began paying WADE after the assistant superintendent at Albany Houses (the “Albany Assistant Superintendent”), to whom CW-14 had paid money at a prior development, told CW-14 to begin paying WADE for some of the contracts.⁵ CW-14 paid either WADE or the Albany Assistant Superintendent for all of the no-bid contracts CW-14 received at Albany Houses.

c. Based on my review of certain bank records for a company used by CW-14, I have learned that CW-14 made large cash withdrawals around the time that CW-14 was awarded no-bid contracts at Albany Houses. For example:

i. In or about August 2019, CW-14 was awarded a particular no-bid contract at Albany Houses worth approximately \$5,000, and approximately five days later withdrew \$500.

ii. In or about October 2019, CW-14 withdrew \$5,400, and approximately one and four weeks later, respectively, was awarded two particular no-bid contracts at Albany Houses worth approximately \$5,000 and \$10,000.

iii. In or about August 2020, CW-14 was awarded two particular no-bid contracts at Albany Houses worth approximately \$5,000 each. The same month, CW-14 made two \$800 withdrawals – one on the day before the first contract was awarded, and one approximately two weeks before the second contract was awarded.

d. CW-14 understood, based on CW-14’s interactions with WADE and with other NYCHA employees who similarly required payments for work, that if CW-14 did not make payments to WADE, CW-14 would not be awarded additional no-bid contracts for work at Albany Houses.

e. On or about November 6, 2023, and December 14, 2023, CW-14 reviewed photobooks containing a photograph of WADE among photographs of dozens of other individuals. On November 6, CW-14 did not identify the photograph of WADE, which was the last photograph in the photobooks. On December 14, when reviewing new additions to the photobook, CW-14 began with the photograph of WADE (where CW-14 had ended before), and identified the photograph as looking like “Mr. Wade” from Albany Houses in Brooklyn, although CW-14 was not 100% sure.

f. CW-14 provided a contact number for “Mr Wade Albany” and a particular phone number ending in -1478 (the “Wade Number”). Based on NYCHA Human Resources

⁴ Prior to meeting with the Government, CW-14 provided a handwritten list of contact information for superintendents whom CW-14 paid, and estimated paying “Mr Wade” at Albany Houses a total of \$6,000 for approximately eight contracts. CW-14 stated during a proffer meeting that the no-bid contracts for which CW-14 paid \$1,000 were each worth approximately \$5,000, and initially estimated paying for three to four contracts but later estimated paying for approximately six contracts, for a total payment to WADE of approximately \$6,000. CW-14 later testified that the no-bid contracts for which CW-14 paid WADE on multiple occasions were worth approximately \$9,600 or \$9,700.

⁵ The assistant superintendent has been charged simultaneously with bribery and extortion offenses related to his solicitation and receipt of money for no-bid contracts.

records which I have reviewed, I have confirmed that the Wade Number is a personal phone number listed for WADE.

9. Based on my review of records provided by NYCHA, my review of certain bank records, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-16”),⁶ who has performed work at NYCHA’s Albany Houses, among other developments, I have learned the following, in substance and in part:

a. From at least in or about 2020 through in or about 2022, CW-16 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. From in or about July 2020 through in or about May 2022, CW-16 was awarded approximately seven no-bid contracts at Albany Houses (all of which are listed in NYCHA records as “closed”), and CW-16 paid LINDSAY WADE, the defendant, approximately 10% of the contract value for each of these no-bid contracts. Four of the contracts were each worth approximately \$5,000, and the other three were worth approximately \$6,200, \$8,700, and \$10,000. CW-16 therefore paid WADE between approximately \$500 and \$1,000 in cash per no-bid contract. WADE directed CW-16 to place the money in a drawer for WADE rather than handing it directly to WADE.

c. Based on my review of certain bank records for a company used by CW-16, I have learned that CW-16 made large cash withdrawals around the time that CW-16 was awarded no-bid contracts at Albany Houses. For example:

i. In or about January 2021, CW-16 withdrew \$2,100, and approximately 11 and 14 days later, respectively, was awarded two particular no-bid contracts at Albany Houses each worth approximately \$5,000.

ii. In or about May 2021, CW-16 was awarded a particular no-bid contract at Albany Houses worth approximately \$10,000, and the next day withdrew \$1,900.

iii. In or about September 2021, CW-16 was awarded a particular no-bid contract at Albany Houses worth approximately \$9,000, and approximately six days later withdrew \$1,980.

iv. In or about May 2022, CW-16 was awarded a particular no-bid contract at Albany Houses worth approximately \$6,000, and approximately five days later withdrew \$1,785.

⁶ CW-16 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-14 and CW-16 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-14 and CW-16 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

d. CW-16 understood, based on CW-16's interactions with WADE and with other NYCHA employees who similarly required payments for work, that if CW-16 did not make payments to WADE, CW-16 would not be awarded additional no-bid contracts for work at Albany Houses.

e. On or about December 18, 2023, CW-16 reviewed photobooks containing a photograph of WADE among photographs of dozens of other individuals. CW-16 identified the photograph of WADE as looking like "Wade," the NYCHA employee from Albany Houses to whom CW-16 had made payments in exchange for no-bid contracts from NYCHA, but noted that CW-16 knew WADE to have a beard while the individual in the photograph did not.

f. CW-16 has a contact saved in CW-16's cellphone with the name "Wayde Albany Houses" and the Wade Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of LINDSAY WADE, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission

SEAN D. HUGHES

Special Agent

U.S. Department of Homeland Security

Homeland Security Investigations

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 31st day of January, 2024.

Attest: J. Ann

THE HONORABLE STEWART D. AARON

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JORGE PEREZ,

Defendant.

24 MAG 396

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2015 through at least in or about June 2020, in the Southern District of New York and elsewhere, JORGE PEREZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, PEREZ solicited and accepted a total of approximately \$30,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$257,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2015 through at least in or about June 2020, in the Southern District of New York and elsewhere, JORGE PEREZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, PEREZ under color of official right, obtained money from NYCHA contractors, with their consent, that was not due PEREZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JORGE PEREZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at Twin Parks Consolidated Housing and 1010 East 178th St. Consolidated, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

JORGE PEREZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JORGE PEREZ, the defendant:

a. From at least on or about January 1, 2015, through at least on or about October 31, 2018, PEREZ was employed as a superintendent at Twin Parks Consolidated Housing (East and West), a NYCHA development located in Bronx, New York.

b. From at least on or about November 1, 2018, through at least on or about April 28, 2022, PEREZ was employed as a superintendent at 1010 East 178th St. Consolidated, a NYCHA development located in Bronx, New York. 1010 East 178th St. Consolidated was managed by Murphy Houses, another NYCHA development, up until on or about January 1, 2019, when Murphy Houses became privately owned and operated. Even after Murphy Houses became privately owned and operated, PEREZ’s identification badge regularly “punched in” to Murphy Houses.

JORGE PEREZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-9”)² who has

² The cooperating witnesses referenced in this Complaint are designated as “CW-9” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

performed work at NYCHA's Twin Parks Consolidated Housing and 1010 East 178th St. Consolidated, among other developments,³ I have learned the following, in substance and in part:

a. Since at least 2015, CW-9 performed contracting work for NYCHA with companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-9 performed no-bid purchase order work at Twin Parks Consolidated Housing from in or about January 2015 through in or about October 2018. CW-9 was awarded at least approximately 66 no-bid contracts at Twin Parks Consolidated Housing during that time period. While working at Twin Parks Consolidated Housing, CW-9 paid the superintendent whom CW-9 identified as "George Perez"⁴ for all or nearly all of the no-bid contracts CW-9 was awarded at Twin Parks Consolidated Housing.

c. CW-9 again paid the superintendent whom CW-9 identified as "George Perez" for no-bid contracts that CW-9 was awarded at Murphy Houses/1010 East 178th St. Consolidated.⁵ CW-9 performed no-bid purchase order work at Murphy Houses/1010 East 178th St. Consolidated from in or about December 2018 through in or about June 2020. CW-9 was awarded at least approximately 10 no-bid contracts during this time period and CW-9 paid the superintendent whom CW-9 identified as "George Perez" for all or nearly all of those no-bid contracts. CW-9 paid "George Perez" at least approximately 10% of the contract price for each contract. The contracts were typically each worth approximately \$5,000, and CW-9 therefore paid "George Perez" approximately \$500 in cash per contract.

d. For the reasons explained below, I believe that the person whom CW-9 identified as "George Perez" and paid at Twin Parks Consolidated Housing and Murphy Houses/1010 East 178th St. Consolidated is JORGE PEREZ,⁶ the defendant:

³ CW-9 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. Based on a review of documents generated during a background check conducted by NYCHA in or about 2020, it appears that CW-9 may have provided inaccurate information regarding the ownership and operation of, and affiliation between, certain contracting companies with which CW-9 performed contracting work for NYCHA.

⁴ The notes of the proffer meeting in which CW-9 identified the superintendent whom CW-9 paid at Twin Parks Consolidated Housing record the name provided as "George Perez." However, CW-9 did not provide the spelling of the individual's first name (which can be written "George" or "Jorge").

⁵ Each of the no-bid jobs that CW-9 received at 1010 East 178th St. Consolidated includes the word "Murphy" in the description, which I understand, based on my training and experience, to be a reference to "Murphy Houses."

⁶ On or about May 26, 2023, CW-9 reviewed photobooks containing a photograph of JORGE PEREZ, the defendant, among photographs of dozens of other individuals. CW-9 incorrectly identified a photograph of a man other than PEREZ as either "George Perez" from Murphy Houses and Twin Parks Consolidated Housing or the brother of "George Perez." CW-9 separately noted that it had been a long time since he last saw "George Perez." Based on my review of NYCHA

i. From in or about January 2015 through in or about October 2018, when CW-9 performed no-bid purchase order work at Twin Parks Consolidated Housing, PEREZ was the superintendent at that NYCHA facility. NYCHA records indicate that PEREZ was listed as the “requestor” for approximately 13 of the no-bid contracts that CW-9 was awarded at Twin Parks Consolidated Housing.⁷

ii. NYCHA records show that PEREZ’s identification badge nearly always “punched in” at Twin Parks Consolidated Housing between at least in or about January 2015 through in or about October 2018, including on many of the dates on which CW-9 was awarded a no-bid contract at that development.

iii. In addition, from December 2018 through in or about June 2020, when CW-9 performed no-bid purchase order work at Murphy Houses/1010 East 178th St. Consolidated, PEREZ was the superintendent at that NYCHA facility.

iv. NYCHA records show that PEREZ’s identification badge nearly always “punched in” at Murphy Houses between at least in or about December 2018 through in or about June 2020, including on many of the dates that CW-9 was awarded a no-bid contract related to that development.

e. CW-9 understood, based on CW-9’s interactions with PEREZ and with other NYCHA employees who similarly required payments for work, that if CW-9 did not make payments to PEREZ, CW-9 would not be paid for work CW-9 had completed or would not receive future NYCHA contracting work.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”),⁸ who has

records, I have learned that the individual in the photograph incorrectly identified by CW-9 never worked at Murphy Houses or Murphy Houses/1010 East 178th St. Consolidated, and did not “punch in” at those developments during the time when CW-9 performed work at those developments. In contrast, PEREZ regularly “punched in” at Murphy Houses/1010 East 178th St. Consolidated and Twin Parks Consolidated Housing during the times in which CW-9 performed work at those developments.

⁷ Although PEREZ is not listed as “requestor” for all of the no-bid contracts, I understand from reviewing a report of another law enforcement agent’s conversation with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into NYCHA’s computerized system, and individuals other than the person listed as the “requestor” could have involvement in awarding or processing a particular no-bid contract.

⁸ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-24 has never worked at any of the contracting companies where CW-9 worked. Both CW-24 and CW-9 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-24 and CW-9 know each other.

performed work at NYCHA's Twin Parks Consolidated Housing, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2017, CW-24 performed contracting work for NYCHA as the owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work and blanket contract work at Twin Parks Consolidated Housing in or about September 2017. CW-24 was awarded at least approximately eight no-bid contracts and one blanket contract at Twin Parks Consolidated Housing from in or about September 2017 through in or about August 2018, during the time in which JORGE PEREZ, the defendant, served as a superintendent at that NYCHA facility. NYCHA records indicate that PEREZ is listed as the "requestor" for at least one job pursuant to a blanket contract that CW-24 was awarded at Twin Parks Consolidated Housing. During that time, CW-24 paid PEREZ for all or nearly all of the contracts CW-24 received from PEREZ at Twin Parks Consolidated Housing. CW-24 paid PEREZ approximately \$500 in cash for each contract.

c. CW-24 understood, based on CW-24's interactions with PEREZ and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to PEREZ, CW-24 would not be paid for work CW-24 had completed or would not receive future NYCHA contracting work.

d. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of JORGE PEREZ among photographs of dozens of other individuals. CW-24 identified the photograph of PEREZ as "Jorge" at Twin Parks Consolidated Housing, the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JORGE PEREZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Rasove Ramirez by SDA with permission

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 397

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

MARLON MACKEY,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2014 through at least in or about 2023, in the Southern District of New York and elsewhere, MARLON MACKEY, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2014 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MACKEY solicited and accepted a total of at least approximately \$25,000 of bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$260,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2014 through at least in or about 2023, in the Southern District of New York and elsewhere, MARLON MACKEY, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MACKEY, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MACKEY or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that MARLON MACKEY, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2014 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MACKEY’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of MARLON MACKEY, the defendant:

a. From in or about February 2009 through in or about September 2015, MACKEY was employed as an assistant superintendent at Queensbridge South, a NYCHA development located in Queens, New York.

b. From in or about September 2015 through in or about April 2017, MACKEY was employed as an assistant superintendent at Albany Houses, a NYCHA development located in Brooklyn, New York.

c. From in or about April 2017 through in or about September 2017, MACKEY was employed as a superintendent at Frederick E. Samuel Apartments, a NYCHA development located in New York, New York.

d. From in or about September 2017 through in or about June 2021, MACKEY was employed as an assistant superintendent at Vladeck Houses, a NYCHA development located in New York, New York.

e. From in or about June 2021 through in or about July 2023, MACKEY was employed as a superintendent at Redfern Houses, a NYCHA development located in Queens, New York.

f. From in or about July 2023 through the present, MACKEY has been employed as a superintendent in the NYCHA Emergency Management and Services Department.

MACKEY’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-21” because this Complaint is being sought simultaneously with dozens of other Complaints charging

performed work at NYCHA’s Queensbridge South, Vladeck, and Redfern Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2014, CW-2 has performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 has a contact saved in CW-2’s cellphone with the name “MACKEY,MARLON” and a particular phone number ending in -9847 (the “Mackey Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the Mackey Number is the personal phone number listed for MARLON MACKEY, the defendant.

c. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of MACKEY among photographs of dozens of other individuals. CW-2 identified the photograph of MACKEY as a NYCHA employee from Queensbridge South, Vladeck, and Redfern to whom CW-2 had made payments in exchange for no-bid contract work at NYCHA, and later confirmed that this individual is the person saved in CW-2’s phone as “MACKEY,MARLON.”⁴

d. CW-2 began performing no-bid purchase order work at Queensbridge South in or about May 2014. CW-2 completed approximately 45 contracts at Queensbridge South between approximately May 2014 and June 2015 during the time in which MACKEY served as an assistant superintendent at that NYCHA facility.⁵ During that time, CW-2 paid MACKEY approximately \$400 to \$500 in cash for each no-bid contract he received at Queensbridge South

other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ During the July 26 proffer, when CW-2 – who is not a native English speaker – pronounced the name of the person in the photograph, the name sounded like “Mickey Mellon.” As noted, CW-2 later confirmed that the name CW-2 was saying is the one saved in his phone as “MACKEY,MARLON.”

⁵ NYCHA records include MACKEY’s name as the “deliver to person” in connection with approximately eight of these contracts; although other contracts that CW-2 completed during this time period had a person other than MACKEY listed as the “deliver to person,” I understand from reviewing a report of another law enforcement agent’s conversation with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into NYCHA’s computerized system, and individuals other than the person listed as the “deliver to person” could have involvement in awarding or processing a particular no-bid contract.

except for the smaller contracts of approximately \$2,000 or less; in total, CW-2 paid MACKEY for approximately 37 no-bid contracts at Queensbridge South.⁶

e. CW-2 began performing no-bid purchase order work at Vladeck Houses in or about October 2018. CW-2 completed approximately 20 contracts at Vladeck Houses between in or about October 2018 and in or about March 2020 during the time in which MACKEY served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid MACKEY for several no-bid contracts for work at Vladeck Houses, although CW-2 cannot recall specifically for which contracts.⁷ CW-2 recalled that he did not have to pay MACKEY for the first few jobs he completed at Vladeck, but that MACKEY then began requesting payment in exchange for awarding no-bid contracts to CW-2.

f. CW-2 began performing no-bid purchase order work at Redfern Houses in or about September 2015. CW-2 completed approximately 13 contracts at Redfern Houses between in or about March 2022 and in or about July 2023 during the time in which MACKEY served as a superintendent at that NYCHA facility.⁸ During that time, CW-2 paid MACKEY for nearly all the no-bid contracts CW-2 was awarded and performed. Specifically, CW-2 paid MACKEY approximately \$500 to \$600 in cash for contracts worth approximately \$5,000, and approximately \$1,000 to \$1,200 in cash for contracts worth approximately \$10,000.

g. CW-2 understood, based on CW-2's interactions with MACKEY and with other NYCHA employees who similarly required payments for awarding no-bid contracts, that if CW-2 did not make payments to MACKEY, CW-2 would not be paid for work CW-2 had completed or would not receive future NYCHA contracting work.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my review of bank records, and my discussions with a cooperating witness ("CW-21"),⁹ who has performed work at NYCHA's Vladeck Houses, among other developments, I have learned the following, in substance and in part:

⁶ CW-2 estimated the time period he paid MACKEY at Queensbridge South to be approximately 2014 through 2015, and in fact, as noted above, MACKEY was employed as the assistant superintendent at Queensbridge South from in or about February 2009 through in or about September 2015.

⁷ CW-2 also paid an assistant superintendent and superintendent who were at Vladeck Houses around the same time as MACKEY.

⁸ CW-2 recalled paying MACKEY at Redfern Houses in 2022 and 2023, and in fact, as noted above, MACKEY was employed as the superintendent at Redfern from in or about June 2021 through in or about July 2023.

⁹ CW-21 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-21 has never worked at any of the contracting companies where CW-2 worked. Both CW-21 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-21 and CW-2 know each other.

a. From at least in or about 2020 through in or about 2023, CW-21 performed contracting work for NYCHA as co-owner of a contracting company (the “CW-21 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-21 visited Vladeck Houses multiple times attempting to obtain no-bid purchase order work but was not awarded any contracts. Eventually, the assistant superintendent (the “Vladeck Assistant Superintendent”)—who, for the reasons set forth below, I believe to be MARLON MACKEY, the defendant—agreed to award a contract to CW-21, but told CW-21, in substance and in part, “You need to take care of me,” which CW-21 understood, based on his experience performing no-bid contracting work for NYCHA, to mean CW-21 needed to pay the Vladeck Assistant Superintendent. Bank records for CW-21’s company show, among other large cash withdrawals, an \$800 cash withdrawal the day before the no-bid contract was awarded to CW-21. After the purchase order was approved, CW-21 paid the Vladeck Assistant Superintendent approximately \$1,000 in cash in the basement at Vladeck Houses.

c. Based on NYCHA records I have reviewed, I have learned that in or about April 2021, the CW-21 Company was awarded and completed approximately one purchase order contract at Vladeck Houses. NYCHA records indicate the contract was “closed” (which indicates a NYCHA employee approved the completed work).

d. CW-21 has a contact saved in his phone as “Vladeck Houses Super” with the MACKEY Number.¹⁰

e. CW-21 described the Vladeck Assistant Superintendent as a tall Black man, and does not recall having interactions with any other NYCHA employees at Vladeck Houses.¹¹ I am aware based on my review of NYCHA, law enforcement, and DMV records that (1) MACKEY was one of two assistant superintendents at Vladeck Houses at the time of the aforementioned no-bid contract that CW-21 performed; (2) MACKEY is an approximately 6-foot-tall Black man; (3) the other assistant superintendent at Vladeck Houses at the time of CW-21’s no-bid contract was a 5’6” Hispanic or White man, and (4) the superintendent at Vladeck Houses at the time of CW-21’s no-bid job was a 5’9” Hispanic or White man.¹² I therefore believe the Vladeck Assistant Superintendent paid by CW-21 is MACKEY.

¹⁰ CW-21 could not say with 100% certainty that the phone number saved in his phone was that of the Vladeck Assistant Superintendent whom he paid for the April 2021 contract (given the lack of name saved with the contact and because, for example, another employee could have given him that phone number when he was going to the development trying to obtain work), but CW-21 also could not think of any other employees at Vladeck Houses with whom he interacted and whose phone numbers he saved.

¹¹ CW-21 reviewed photobooks containing a photograph of MACKEY, among photographs of dozens of other individuals, but did not identify the photograph of MACKEY as an individual CW-21 recognized.

¹² This Vladeck superintendent has also been charged with bribery and extortion offenses related to his work at NYCHA. The superintendent’s photograph was also among the photographs reviewed by CW-21, and CW-21 did not identify him as someone CW-21 recognized.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MARLON MACKKEY, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission

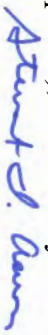
SEAN D. HUGHES

Special Agent

U.S. Department of Homeland Security

Homeland Security Investigations

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 398

UNITED STATES OF AMERICA

v.

CARMEN RIVERA,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about August 2018 through at least in or about June 2022, in the Southern District of New York and elsewhere, CARMEN RIVERA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, RIVERA solicited and accepted multiple bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth at least \$5,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about August 2018 through at least in or about June 2022, in the Southern District of New York and elsewhere, CARMEN RIVERA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, RIVERA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due RIVERA or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that CARMEN RIVERA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from a contractor in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted a contractor under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

RIVERA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CARMEN RIVERA, the defendant:

a. From at least in or about August 2018 through at least in or about July 2021, RIVERA was employed as an assistant superintendent at Mitchel Houses, a NYCHA development located in the Bronx, New York.

b. From at least in or about July 2021 through the present, RIVERA was employed as a superintendent at La Guardia Houses, a NYCHA development located in New York, New York.

RIVERA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Mitchel Houses and La Guardia Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5” and “CW-7” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

a. Since at least in or about 2018, CW-5 and CW-7 have performed contracting work for NYCHA as partners with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. Between August 2018 and June 2021, CW-5 and CW-7 were awarded multiple no-bid purchase order contracts at NYCHA's Mitchel Houses, during the time in which CARMEN RIVERA, the defendant, served as an assistant superintendent. CW-5 and CW-7 were referred to RIVERA by another NYCHA assistant superintendent at Mitchel Houses to whom CW-5 and CW-7 had made payments in exchange for no-bid contracts before RIVERA was assigned to Mitchel Houses.

c. On multiple occasions between in or about August 2018 and in or about June 2021, RIVERA called CW-5 to inform CW-5 of potential contracting work at Mitchel Houses. When CW-5 visited RIVERA to discuss the potential contract, RIVERA informed CW-5 that CW-5 would have to pay RIVERA in order to receive the contract. On multiple occasions, CW-5 and CW-7 drove to a bank branch location where CW-5 withdrew cash to pay to RIVERA. On each of those occasions, CW-5 and CW-7 then drove to Mitchel Houses, where CW-5 paid RIVERA between approximately \$1,500 and \$3,000 in cash, depending on the value of the no-bid contract. Based on my review of certain financial records for companies used by CW-5 and CW-7, I have learned that between at least in or about August 2018 and at least in or about March 2020, there are numerous cash withdrawals in amounts similar to or greater than the amounts CW-5 and CW-7 paid to NYCHA employees including RIVERA.

d. In or about July 2021, RIVERA was transferred to NYCHA's La Guardia Houses and promoted to superintendent. On multiple occasions between in or about August 2021 and in or about June 2022, CW-5 and CW-7 were awarded and completed no-bid contracts for work at La Guardia Houses, during the time in which RIVERA served as a superintendent at that NYCHA facility. Based on prior instances in which RIVERA required payments for no-bid contracts at Mitchel Houses, CW-5 and CW-7 understood that RIVERA continued to require payments for contracts at La Guardia Houses. On multiple occasions, CW-5 and CW-7 drove to a bank branch location for CW-5 to withdraw cash before driving to La Guardia Houses, where CW-5 paid RIVERA between approximately \$1,500 and \$3,000 in cash for each no-bid contract.

e. CW-5 has a contact saved in CW-5's cellphone with the name "Carmen Rivera" and a particular phone number ending in -0590 (the "RIVERA Number"). CW-5 used the RIVERA Number to communicate with the NYCHA employee that CW-5 paid at Mitchel Houses and La Guardia Houses, who was the same employee at Mitchel Houses and La Guardia Houses that CW-7 knew as "Carmen." Based on NYCHA Human Resources records that I have reviewed, I have confirmed that the RIVERA Number is listed as RIVERA's personal phone number.

f. On or about December 6, 2023, during a meeting with law enforcement on or about December 6, 2023, CW-5, without being prompted, pointed at a photograph of RIVERA that had been set to the side of the table where CW-5 and law enforcement were seated among

photographs of various other individuals, and correctly identified it as “Carmen Rivera,” the person to whom CW-5 made payments at Mitchel Houses and La Guardia Houses.⁴

g. CW-5 and CW-7 understood, based on their interactions with RIVERA and other NYCHA employees who similarly required payments for work, that if they did not make payments to RIVERA, they would not be awarded additional no-bid contracts for work at Mitchel Houses or La Guardia Houses.


9. Based on my review of records provided by NYCHA and financial records for CARMEN RIVERA, the defendant, as well as a financial analysis of such records, I have learned the following:

a. RIVERA’s cash deposits into a particular bank account (“Account-1”) include at least one cash deposit during the period in which CW-5 paid RIVERA approximately between \$1,500 and \$3,000 in cash per no-bid contract. Specifically, on or about June 30, 2022, a no-bid contract worth approximately \$7,800 was awarded to CW-5’s contracting company. On or about July 6, 2022, RIVERA deposited \$1,500 in cash into Account-1, and on or about July 12, 2022, the no-bid contract was marked as “closed,” which indicates that a NYCHA employee approved the completed work.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of CARMEN RIVERA, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission
SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to me through the transmission of
this Complaint by reliable electronic means,
this 31st day of January, 2024.


THE HONORABLE STEWART D. AARON
United States Magistrate Judge
Southern District of New York

⁴ On or about July 20, 2023, in earlier meetings with law enforcement that occurred at different times separately from each other, CW-5 and CW-7 each reviewed photobooks containing the same photograph of RIVERA among photographs of dozens of other individuals, but did not identify the photograph of RIVERA, nor did they identify any other photographs as appearing to be the individual at Mitchel Houses and La Guardia Houses saved as “Carmen Rivera” in CW-5’s cellphone and whom CW-7 knew as “Carmen” at Mitchel Houses and La Guardia Houses.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 400

UNITED STATES OF AMERICA

v.

DANIEL MUNIZ,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about May 2019 through at least in or about May 2020, in the Southern District of New York and elsewhere, DANIEL MUNIZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 and 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MUNIZ solicited and accepted at least approximately \$3,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$10,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about May 2019 through at least in or about May 2020, in the Southern District of New York and elsewhere, DANIEL MUNIZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MUNIZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MUNIZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that DANIEL MUNIZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from a contractor in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted a contractor under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MUNIZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of DANIEL MUNIZ, the defendant:

a. From at least in or about January 2016 through at least in or about May 2020, MUNIZ was employed as an assistant superintendent at Wald Houses, a NYCHA development located in New York, New York.

MUNIZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Wald Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-5 and CW-7 have performed contracting work for NYCHA as partners with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-5” and “CW-7” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

b. From in or about May 2019 through in or about May 2020, CW-5 and CW-7 were awarded multiple no-bid purchase order contracts at NYCHA's Wald Houses, during the time in which DANIEL MUNIZ, the defendant, served as an assistant superintendent.

c. CW-5 and CW-7 were referred to MUNIZ by a NYCHA assistant superintendent at Campos Plaza Houses to whom they also made payments in exchange for no-bid contracts (the "Campos Plaza Assistant Superintendent"). The Campos Plaza Assistant Superintendent told CW-5, in substance and in part, that MUNIZ was a friend who used to work at the same development.⁴ The Campos Plaza Assistant Superintendent also told CW-5, in substance and in part, to seek work at Wald Houses and to "take care" of MUNIZ the same way that CW-5 took care of the Campos Plaza Assistant Superintendent. When CW-5 went to Wald Houses, CW-5 told MUNIZ that the Campos Plaza Assistant Superintendent had referred CW-5, after which CW-5 received a call from MUNIZ informing CW-5 that there was work to be completed at Wald Houses.

d. CW-5 and CW-7 were awarded multiple no-bid contracts during the time in which MUNIZ served as an assistant superintendent at Wald Houses. On at least approximately two occasions, MUNIZ called CW-5 to come see him after CW-5 had been awarded a no-bid contract for which CW-5 submitted a proposal.⁵ On each occasion, CW-5 and CW-7 then drove to a bank branch location, where CW-5 withdrew cash. CW-5 and CW-7 then drove to Wald Houses, where CW-5 paid MUNIZ approximately \$1,500 in cash for each no-bid contract, which were each worth approximately \$5,000.⁶ Based on my review of financial records for companies used by CW-5 and CW-7, I have learned that between at least in or about May 2019 and in or about March 2020, there are numerous cash withdrawals in amounts similar to or greater than the amounts CW-5 and CW-7 paid to NYCHA employees including MUNIZ.

e. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of MUNIZ among photographs of dozens of other individuals, and CW-5 identified the photograph of MUNIZ as "Danny," a NYCHA assistant superintendent at Wald Houses to whom CW-5 had made payments on at least approximately two occasions in exchange for no-bid contracts from NYCHA.⁷

⁴ Based on my review of employment records provided by NYCHA, I know that the Campos Plaza Assistant Superintendent previously worked as an assistant superintendent at Wald Houses during the time in which MUNIZ served as a supervising groundskeeper.

⁵ On a separate occasion, CW-5 recalled that MUNIZ reached out to CW-5 after the work on the no-bid contract had already been completed, but before the contract was "closed."

⁶ CW-5 recalled initially attempting to pay \$1,000 for each no-bid contract, but that MUNIZ demanded \$1,500. CW-7 recalled that CW-5 paid MUNIZ \$1,000 for each no-bid contract. CW-5 also recalled paying MUNIZ for approximately two no-bid contracts, whereas CW-7 recalled that CW-5 paid MUNIZ for each no-bid contract that MUNIZ awarded to CW-5 and CW-7.

⁷ On or about July 20, 2023, in a separate meeting than the meeting with CW-5, CW-7 reviewed photobooks containing a photograph of MUNIZ among photographs of dozens of other individuals, but did not identify the photograph of MUNIZ, nor did he identify any other

f. CW-5 and CW-7 understood, based on their interactions with MUNIZ and other NYCHA employees who similarly required payments for work, that if they did not make payments to MUNIZ, they would not be awarded additional no-bid contracts for work at Wald Houses.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of DANIEL MUNIZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission

SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to me through the transmission of
this Complaint by reliable electronic means,
this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON
United States Magistrate Judge
Southern District of New York

photographs as appearing to be the individual CW-7 knew as “Danny,” the assistant superintendent at Wald Houses whom CW-5 paid.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 401

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

MICHAEL DAVIS,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about May 2022 through at least in or about June 2022, in the Southern District of New York and elsewhere, MICHAEL DAVIS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar year 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, DAVIS solicited and accepted a total of at least approximately \$2,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$15,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about May 2022 through at least in or about June 2022, in the Southern District of New York and elsewhere, MICHAEL DAVIS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, DAVIS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due DAVIS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that MICHAEL DAVIS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In at least the year 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

DAVIS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of MICHAEL DAVIS, the defendant:

a. From at least in or about May 2021 through at least in or about August 2022, DAVIS was employed as an assistant superintendent at Saint Nicholas Houses, a NYCHA development located in New York, New York.

DAVIS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-6”)² who has performed work at NYCHA’s Saint Nicholas Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-6 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at Saint Nicholas Houses in or about 2018. In or about May 2022, CW-6 paid MICHAEL DAVIS, the defendant, approximately \$1,500 to \$2,000 in cash for a particular no-bid contract worth approximately \$10,000 that had been awarded CW-6. NYCHA records indicate the contract is “closed,” which means a NYCHA employee approved the completed work.⁴

² The cooperating witnesses referenced in this Complaint are designated as “CW-6” and “CW-21” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

⁴ NYCHA records list a different individual named “Michael Davis” with a middle initial (the “Other Michael Davis”) as the “deliver to person” associated with this no-bid contract. However,

c. CW-6 understood, based on his interactions with DAVIS and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make the payment to DAVIS, DAVIS would not approve the work CW-6 had completed, which was necessary for CW-6 to receive payment from NYCHA for the completed contract.

d. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of DAVIS among photographs of dozens of other individuals. CW-6 identified the photograph of DAVIS as “David,” the assistant superintendent at Saint Nicholas Houses to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.⁵

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-21”),⁶ who has performed work at NYCHA’s Saint Nicholas Houses, among other developments, I have learned the following, in substance and in part:

a. From at least in or about 2021 through at least in or about 2023, CW-21 performed contracting work for NYCHA as co-owner of a particular contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-21 began performing no-bid purchase order work at Saint Nicholas Houses in or about June 2021. In or about May 2022, CW-21 paid MICHAEL DAVIS, the defendant, approximately \$1,000 in cash for a particular no-bid contract worth approximately

the Other Michael Davis did not work at Saint Nicholas Houses and never “punched in” at Saint Nicholas Houses between at least in or about January 2022 and in or about July 2022, when the Other Michael Davis resigned. Furthermore, NYCHA records show that the Other Michael Davis’s name was listed as the “deliver to person” only for no-bid contracts at Saint Nicholas Houses between on or about June 24, 2021 and on or about August 17, 2022, which correspond to the time frame when DAVIS was employed at Saint Nicholas Houses (from in or about May 2021 through on or about August 28, 2022). Additionally, several of the no-bid contracts which list the Other Michael Davis’s name were created *after* the Other Michael Davis’s last day of work and resignation date in or about July and August 2022. Based on this information, I believe the Other Michael Davis’s name was mistakenly used in the NYCHA database for contracts that were actually associated with DAVIS at Saint Nicholas Houses.

⁵ There were two individuals in the photobook with the first name of “David,” both of whom worked at Saint Nicholas Houses at certain times, but neither worked at Saint Nicholas Houses at the time of the particular no-bid contract for which CW-21 paid the assistant superintendent. CW-21 did not recognize one of these photographs at all. CW-21 identified the other individual (whose name CW-21 could not recall) as a superintendent at Saint Nicholas Houses whom CW-21 did not pay for any contracts.

⁶ CW-21 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-21 has never worked at any of the contracting companies where CW-6 worked. Both CW-6 and CW-21 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-6 and CW-21 know each other.

\$6,000 that had been awarded to CW-21.⁷ Specifically, while CW-21 was working at Saint Nicholas Houses to complete the work, DAVIS repeatedly appeared at the worksite and told CW-21, in substance and in part, “I need you to take care of me,” which CW-21 understood to be a demand for money.⁸ DAVIS further told CW-21, in substance and in part, that “I gave you this job,” and that DAVIS would not award CW-21 additional no-bid contracts if CW-21 did not pay DAVIS.

c. CW-21 understood, based on his interactions with DAVIS and with other NYCHA employees who similarly required payments for work, that if CW-21 did not make payments to DAVIS, DAVIS would not award CW-21 additional contracts at Saint Nicholas Houses and would not approve contracts that CW-21 had completed.

d. On or about November 22, 2023, CW-21 reviewed photobooks containing a photograph of DAVIS among photographs of dozens of other individuals. CW-21 identified the photograph of DAVIS as the NYCHA employee at Saint Nicholas Houses to whom CW-21 had made payments in exchange for no-bid contracts from NYCHA, although CW-21 could not remember the individual’s name at the time. On or about December 21, 2023, CW-21 recalled that the Saint Nicholas employee whom CW-21 had paid may have been named “Michael Davis,” but CW-21 was not sure, and also recalled seeing a nameplate in the employee’s office that said “Davis.” CW-21 testified that the individual’s last name was “Davis,” but CW-21 could not recall his first name.

⁷ CW-21 could not recall which NYCHA employee had awarded the contract to CW-21, and did not pay anyone for the other no-bid contracts CW-21 was awarded at Saint Nicholas Houses.

⁸ NYCHA records show that DAVIS’s identification badge was used to “punch in” at Saint Nicholas Houses during the approximately two-week period between when CW-21 was awarded the no-bid contract and the contract was closed.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MICHAEL DAVIS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission

SEAN D. HUGHES

Special Agent

U.S. Department of Homeland Security

Homeland Security Investigations

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 402

UNITED STATES OF AMERICA

v.

DWARKA RUPNARAIN,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about February 2015 through at least in or about June 2022, in the Southern District of New York and elsewhere, DWARKA RUPNARAIN, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, RUPNARAIN solicited and accepted a total of at least approximately \$83,100 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$508,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about February 2015 through at least in or about June 2022, in the Southern District of New York and elsewhere, DWARKA RUPNARAIN, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, RUPNARAIN under color of official right, obtained money from NYCHA contractors, with their consent, that was not due RUPNARAIN or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that DWARKA RUPNARAIN, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

RUPNARAIN’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of DWARKA RUPNARAIN, the defendant:

a. From at least in or about March 2007 through at least in or about January 2015, RUPNARAIN was employed as a superintendent at Highbridge Gardens, a NYCHA development located in the Bronx, New York.

b. From at least in or about January 2015 through at least in or about August 2019, RUPNARAIN was employed as a superintendent at Morrisania Air Rights Consolidation (“Morrisania Air Rights”), a NYCHA development located in the Bronx, New York.

c. From at least in or about August 2019 through at least in or about December 2022, RUPNARAIN was employed as a superintendent at Gun Hill Houses, a NYCHA development located in the Bronx, New York.

d. RUPNARAIN retired from NYCHA in or about December 2022.

RUPNARAIN’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”),² who has performed work at NYCHA’s Highbridge Gardens development, Morrisania Air Rights development, and Gun Hill Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-1,” “CW-9,” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2014, CW-1 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 began performing no-bid purchase order work at Morrisania Air Rights in or about August 2014. CW-1 was awarded at least approximately 148 no-bid contracts at Morrisania Air Rights from in or about February 2015 through in or about June 2019, during the time in which DWARKA RUPNARAIN, the defendant, served as a superintendent at that NYCHA facility. During this time,⁴ CW-1 paid RUPNARAIN approximately \$500 in cash per contract for approximately 37 no-bid contracts CW-1 received from RUPNARAIN at Morrisania Air Rights, which were each worth approximately \$5,000.

c. CW-1 understood, based on CW-1's interactions with RUPNARAIN and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to RUPNARAIN, RUPNARAIN would not process CW-1's completed no-bid contracts (which would enable CW-1 to be paid for CW-1's work), and CW-1 would not be awarded additional no-bid contracts for work at Morrisania Air Rights.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of RUPNARAIN among photographs of dozens of other individuals. CW-1 identified the photograph of RUPNARAIN as "Dwarka Rupnarain," the NYCHA employee to whom CW-1 had made payments at Morrisania Air Rights in exchange for no-bid contracts from NYCHA.

e. CW-1 has a contact saved in CW-1's cellphone with the name "Rupe High Bridge"—which appears to contain a reference to Highbridge Gardens, the NYCHA facility at which RUPNARAIN was assigned prior to Morrisania Air Rights—and a particular phone number ending in -9206 (the "9206 Number"). Based on NYCHA Human Resources records that I have reviewed, I have confirmed that the 9206 Number is a personal phone number listed for RUPNARAIN.

f. I have also reviewed certain text messages between CW-1 and RUPNARAIN between in or about July 2018 and in or about September 2019, some of which are described below.

i. In certain of those text messages, RUPNARAIN referred to his involvement in processing no-bid purchase order contracts for CW-1 and his ability to approve those contracts. For example, in or about September 2018, CW-1 asked RUPNARAIN to "Please Process this Po in the Receiving," to which RUPNARAIN responded "Ok." Based on my discussions with CW-1, I know that CW-1 used the terminology "P.O." to refer to no-bid purchase order contracts.

ii. In other text messages, RUPNARAIN requested, in substance and in part, that CW-1 "come see" RUPNARAIN, which CW-1 understood based on CW-1's interactions with RUPNARAIN to be a request for CW-1 to pay RUPNARAIN. For instance, on or about April 29, 2019, RUPNARAIN asked CW-1, "Are you coming to see me tomorrow?"

⁴ CW-1 recalled that he began making payments to RUPNARAIN at Morrisania Air Rights in either 2017 or 2018.

CW-1 replied that same day that “I will be there Tomorrow.” On or about May 2, 2019 (*i.e.*, two days later), CW-1 was awarded a no-bid contract, which was processed and closed on May 3, 2019.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-9”) who has performed work at NYCHA’s Morrisania Air Rights development and Gun Hill Houses, among other developments,⁵ I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-9 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. As described below, a superintendent at Morrisania Air Rights and Gun Hill Houses whom CW-9 identified as “Rupnarain”⁶—whom I believe, based on the facts described below, is DWARKA RUPNARAIN, the defendant—solicited and accepted money from CW-9 for no-bid purchase order contracts at those developments.⁷ Specifically, CW-9 recalled that the NYCHA employee CW-9 knew as “Rupnarain” used a particular phone number ending in -7842 (the “7842 Number”). Based on records from NYCHA that I have reviewed, I have confirmed that the 7842 Number is listed as the work mobile number assigned to RUPNARAIN.

c. CW-9 began performing no-bid purchase order work at Morrisania Air Rights in or about May 2016.⁸ CW-9 was awarded at least approximately 67 no-bid contracts at Morrisania Air Rights from in or about May 2016 through in or about December 2018, during the time in which RUPNARAIN served as a superintendent at that NYCHA facility. During that time,

⁵ CW-9 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. Based on a review of documents generated during a background check conducted by NYCHA in or about 2020, it appears that CW-9 may have provided inaccurate information regarding the ownership and operation of, and affiliation between, certain contracting companies with which CW-9 performed contracting work for NYCHA.

⁶ From in or about May 2016 through in or about December 2018, there were three other NYCHA employees with first or last names similar to “Rupnarain,” but none were employed at Morrisania Air Rights or Gun Hill Houses.

⁷ On or about May 26, 2023, CW-9 reviewed photobooks containing a photograph of RUPNARAIN among photographs of dozens of other individuals, but did not identify the photograph of RUPNARAIN, nor did CW-9 identify any other photographs as appearing to be the individual CW-1 knew as “Rupnarain.”

⁸ CW-1 and CW-9 referred to this development as “Morrisania” and/or “Morrisania Consolidation.” Based on my review of records provided by NYCHA, I know that there are two developments in the Bronx with “Morrisania” in their name: Morrisania Air Rights and Morrisania Houses. Records provided by NYCHA reflect that RUPNARAIN worked at Morrisania Air Rights, but not Morrisania Houses, and that the contracting companies with which CW-1 and CW-9 performed work at NYCHA were awarded no-bid purchase order contracts at Morrisania Air Rights, but not Morrisania Houses.

CW-9 paid RUPNARAIN for all or nearly all of the no-bid contracts CW-9 received from RUPNARAIN at Morrisania Air Rights, except for four contracts that were canceled. RUPNARAIN asked CW-9 to pay 20% of the contract price⁹ – that is, approximately \$1,000 in cash for \$5,000 contracts – but CW-9 did not always pay the full amount requested by RUPNARAIN.¹⁰ CW-9 paid RUPNARAIN in cash at Morrisania Air Rights when they were alone.

d. In or about August 2019, RUPNARAIN was assigned to Gun Hill Houses as a superintendent. CW-9 had been performing no-bid purchase order work at Gun Hill Houses since in or about March 2015. CW-9 was awarded at least approximately three no-bid contracts at Gun Hill Houses from in or about March 2021 through in or about June 2022, during the time in which RUPNARAIN served as a superintendent at that NYCHA facility. During that time, CW-9 paid RUPNARAIN approximately \$1,000 (*i.e.*, 20% of the no-bid contract value) in cash for each of the no-bid contracts CW-9 received from RUPNARAIN at Gun Hill Houses, which were each worth approximately \$5,000.

e. CW-9 understood, based on CW-9’s interactions with RUPNARAIN and with other NYCHA employees who similarly required payments for work, that if CW-9 did not make payments to RUPNARAIN, CW-9 would not be awarded additional no-bid contracts for work at Morrisania Air Rights or Gun Hill Houses.

10. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”),¹¹ who has performed work at NYCHA’s Gun Hill Houses, among other developments, I have learned the following, in substance and in part:

⁹ In meetings with law enforcement on or about May 26, 2023 and December 5, 2023, CW-9 recalled that RUPNARAIN required CW-9 to pay approximately 20% of the contract price in exchange for being awarded no-bid contracts for work at the NYCHA facilities at which RUPNARAIN was employed. However, in CW-9’s grand jury testimony on or about December 5, 2023, CW-9 stated that CW-9 paid RUPNARAIN 10% of the contract price for \$5,000 contracts and 20% of the contract price for \$10,000 contracts.

¹⁰ The vast majority of the no-bid purchase order contracts that CW-9 was awarded at Morrisania Air Rights were approximately \$5,000. However, approximately nine of these contracts were worth between \$1,000 and \$4,000.

¹¹ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-1, CW-9, and CW-24 have each never worked at any of the contracting companies where any of the others have worked. CW-1, CW-9, and CW-24 were at all times interviewed separately from each other, made the statements described herein separately, and were instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation. I have no reason to believe that CW-9 and CW-24 know each other, or that CW-1 and CW-24 know each other. Although CW-1 is aware that CW-9 performs contracting work at NYCHA, I have no reason to believe that CW-1 and CW-9 communicate with each other socially.

a. Since at least in or around 2015, CW-24 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Gun Hill Houses in or about October 2018. CW-24 was awarded at least approximately four no-bid contracts at Gun Hill Houses from in or about January 2020 through in or about May 2021, during the time in which DWARKA RUPNARAIN, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-24 paid RUPNARAIN approximately \$1,000 in cash for each of the approximately four no-bid contracts CW-24 received from RUPNARAIN at Gun Hill Houses, which were each worth approximately \$5,000.

c. RUPNARAIN did not orally demand that CW-24 pay him in exchange for contracting work at Gun Hill Houses. Rather, CW-24 recalled that RUPNARAIN wrote the payment request in a notebook, indicating, in substance and in part, that RUPNARAIN wanted CW-24 to pay him \$1,000 for each no-bid contract. CW-24 understood, based on CW-24's interactions with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to RUPNARAIN, CW-24 would not be awarded no-bid contracts for work at Gun Hill Houses.

d. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of RUPNARAIN among photographs of dozens of other individuals. CW-24 (who is not a native English speaker and speaks with an accent) identified the photograph of RUPNARAIN as a name that sounded like "Anoop Dwarka," the NYCHA employee to whom CW-24 had made payments at Gun Hill Houses in exchange for no-bid contracts from NYCHA.¹²

¹² There has not been a superintendent or assistant superintendent at Gun Hill Houses named "Anoop" between January 2020 and May 2021, the times when CW-24 paid a superintendent CW-24 knew as "Anoop Dwarka" at that development, and RUPNARAIN was the only superintendent at Gun Hill Houses with the name "Dwarka" in his name during those times.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of DWARKA RUPNARAIN, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Rasove Ramirez by SDA with permission

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 403

UNITED STATES OF AMERICA

v.

FRANKIE VILLANUEVA,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, FRANKIE VILLANUEVA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, VILLANUEVA solicited and accepted a total of at least approximately \$50,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$200,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, FRANKIE VILLANUEVA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, VILLANUEVA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due VILLANUEVA or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that FRANKIE VILLANUEVA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

VILLANUEVA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of FRANKIE VILLANUEVA, the defendant:

a. From at least in or about January 2015 through at least in or about January 2019, VILLANUEVA was employed as an assistant superintendent at Mitchel Houses, a NYCHA development located in the Bronx, New York.

b. From at least in or about January 2019 through at least in or about August 2019, VILLANUEVA was employed as a superintendent at Sotomayor Houses, a NYCHA development located in the Bronx, New York.

c. From at least in or about August 2019 through at least in or about March 2022, VILLANUEVA was employed as an assistant superintendent at Forest Houses, a NYCHA development located in the Bronx, New York.

d. From at least in or about March 2022 through at least in or about January 2024, VILLANUEVA was employed as a superintendent at Mott Haven, a NYCHA development located in the Bronx, New York.

VILLANUEVA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Mitchel Houses, Sotomayor Houses, Forest Houses, and Mott Haven, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5” and “CW-7” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and

a. Since at least in or about 2018, CW-5 and CW-7 have performed contracting work for NYCHA as partners with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-5 and CW-7 began performing no-bid purchase order work at Mitchel Houses in or about March 2018. CW-5 and CW-7 were awarded at least approximately 38 no-bid contracts at Mitchel Houses from in or about March 2018 and in or about December 2018, during the time in which FRANKIE VILLANUEVA, the defendant, served as an assistant superintendent at that NYCHA facility.

c. When CW-5 first started working at Mitchel Houses, VILLANUEVA told CW-5, in sum and substance, that VILLANUEVA and CW-5 had to work together. CW-5 understood this to mean that if CW-5 did not make payments to VILLANUEVA, CW-5 would not be awarded additional no-bid contracts for work at Mitchel Houses.

d. CW-5 and CW-7 paid VILLANUEVA approximately 20% to 30% of the contract price for approximately 36 of the no-bid contracts CW-5 received from VILLANUEVA at Mitchel Houses. The contracts were typically each worth between approximately \$1,000 and \$5,000, and CW-5 and CW-7 therefore paid VILLANUEVA between approximately \$200 and \$1,500 in cash per contract.

e. CW-5 and CW-7 began performing no-bid purchase order work at Sotomayor Houses in or about January 2019. CW-5 and CW-7 were awarded at least approximately 12 no-bid contracts at Sotomayor Houses from in or about January 2019 through in or about August 2019, during the time in which VILLANUEVA served as a superintendent at that NYCHA facility. During that time, CW-5 and CW-7 paid VILLANUEVA approximately 20% to 30% of the contract price for each of the no-bid contracts CW-5 received from VILLANUEVA at Sotomayor Houses. The contracts were typically each worth between approximately \$2,500 and \$5,000, and CW-5 therefore paid VILLANUEVA between approximately \$500 and \$1,500 in cash per contract.

f. CW-5 and CW-7 began performing no-bid purchase order work at Forest Houses in or about October 2019. CW-5 and CW-7 were awarded at least approximately seven no-bid contracts at Forest Houses from in or about October 2019 through in or about May 2021, during the time in which VILLANUEVA served as an assistant superintendent at that NYCHA facility. During that time, CW-5 and CW-7 paid VILLANUEVA approximately 20% to 30% of the contract price for each of the no-bid contracts CW-5 and CW-7 received from VILLANUEVA at Forest Houses. The contracts were typically each worth approximately \$5,000, and CW-5 and CW-7 therefore paid VILLANUEVA approximately \$1,500 in cash per contract.

g. CW-5 and CW-7 began performing no-bid purchase order work at Mott Haven in or about August 2022. CW-5 and CW-7 were awarded at least approximately two no-

CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

bid contracts at Mott Haven from in or about August 2022 through in or about October 2022, during the time in which VILLANUEVA served as a superintendent at that NYCHA facility. During that time, CW-5 and CW-7 paid VILLANUEVA approximately 20% to 30% of the contract price for each of the no-bid contracts CW-5 and CW-7 received from VILLANUEVA at Mot Haven. Each contract was worth approximately \$8,000, and CW-5 and CW-7 therefore paid VILLANUEVA approximately \$2,000 in cash per contract.⁴

h. CW-5 and CW-7 understood, based on their interactions with VILLANUEVA and with other NYCHA employees who similarly required payments for work, that if they did not make the payment to VILLANUEVA, they would not be awarded additional no-bid contracts for work at NYCHA developments.

i. Based on my review of certain financial records for companies used by CW-5 and CW-7 for the period between in or about August 2018 and in or about March 2020, there are numerous cash withdrawals in amounts similar to or greater than the amounts CW-5 and CW-7 paid to NYCHA employees including VILLANUEVA.

j. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of VILLANUEVA among photographs of dozens of other individuals. CW-5 identified the photograph of VILLANUEVA as “Franky,” the NYCHA employee to whom CW-5 had made payments in exchange for no-bid contracts from NYCHA.⁵

k. CW-5 has a contact saved in CW-5’s cellphone with the name “Frankie” and a particular phone number ending in -7426 (the “VILLANUEVA Number”). Based on subscriber records which I have reviewed, I have confirmed that the VILLANUEVA Number is a phone number subscribed to VILLANUEVA.

l. CW-7 has a contact saved in CW-7’s cellphone with the name “Frankie Villanueva” and the VILLANUEVA Number.

⁴ CW-5 was the individual who typically gave the payment to NYCHA employees like VILLANUEVA, but CW-5 and CW-7 typically went to the bank together to obtain the money and discussed the payments they needed to make to certain NYCHA employees.

⁵ On or about July 20, 2023, in a separate meeting than the meeting with CW-5, CW-7, who as noted above rarely met in person with VILLANUEVA, reviewed photobooks containing a photograph of VILLANUEVA among photographs of dozens of other individuals, but did not identify the photograph of VILLANUEVA, nor did CW-7 identify any other photographs as appearing to be the individual CW-7 knew as “Frankie Villanueva,” the NYCHA employee whom CW-5 and CW-7 paid for contracts at various NYCHA developments.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of FRANKIE VILLANUEVA, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Sean D. Hughes by SDA with permission

SEAN D. HUGHES
Special Agent
Homeland Security Investigations

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

VERNON CHAMBERS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24MJ405

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about March 2021 through at least in or about September 2021, in the Southern District of New York and elsewhere, VERNON CHAMBERS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar year 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, CHAMBERS solicited and accepted a total of at least approximately \$5,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$24,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about March 2021 through at least in or about September 2021, in the Southern District of New York and elsewhere, VERNON CHAMBERS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, CHAMBERS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due CHAMBERS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that VERNON CHAMBERS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

CHAMBERS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of VERNON CHAMBERS, the defendant:

a. From at least in or about August 2018 through at least in or about September 2022, CHAMBERS was employed as an assistant superintendent at East River Houses, a NYCHA development located in New York, New York.

CHAMBERS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-19” and “CW-21”)² who have performed work at NYCHA’s East River Houses, among other developments,³ I have learned the following, in substance and in part:

a. From at least in or about 2021 through at least in or about 2023, CW-19 and CW-21 performed contracting work for NYCHA as owners of the same particular company (the “Contracting Company”) and, in connection with such work, purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-19” and “CW-21” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-19 and CW-21 both testified in the grand jury pursuant to immunity orders, and previously provided information to law enforcement during additional interviews pursuant to agreements to extend the same immunity protections to those interviews. As referenced below, CW-19 and CW-21 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-19 and CW-21 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

b. CW-19 and CW-21 began performing no-bid purchase order work at East River Houses in or about March 2021. From in or about March 2021 through in or about September 2021, CW-19 and CW-21 were awarded and completed approximately five purchase order contracts at East River Houses. NYCHA records include the name of VERNON CHAMBERS, the defendant, in connection with each of the contracts and indicate each of the contracts is “closed” (which indicates a NYCHA employee approved the completed work).

c. After each no-bid contract was awarded to CW-19 and CW-21, they paid a NYCHA employee who CW-19 recalled was named “Vernon Chambers” and who CW-21 recalled had the last name “Chamber,” whom I believe, for the reasons explained below, is CHAMBERS. To pay CHAMBERS, CW-19 withdrew cash from the business bank account for the Contracting Company and gave it to CW-21, and CW-21 then paid CHAMBERS. Specifically, CW-19 and CW-21 paid CHAMBERS approximately \$1,000 in cash for the first four \$5,000 contracts and at least approximately \$1,500 in cash for the last \$5,000 contract.⁴ CHAMBERS told CW-21, in substance and in part, to “take care of me and I’ll give you the job.” When CW-19 and CW-21 were awarded the last contract, CHAMBERS asked for more money and told CW-21, in substance and in part, that other contractors were paying CHAMBERS more. After paying CHAMBERS at least approximately \$1,500 in cash for the last contract, CW-19 and CW-21 no longer attempted to be awarded contracts at East River Houses. Bank records for the Contracting Company show multiple ATM withdrawals of hundreds of dollars each month during the time CW-19 and CW-21 were being awarded no-bid contracts by CHAMBERS; for example, on or about May 7, 2021, CW-19 and CW-21 were awarded an approximately \$5,000 no-bid contract at East River Houses, and on or about May 10, 2021, there was a \$900 cash withdrawal from the Contracting Company.

d. CW-19 and CW-21 understood, based on their interactions with CHAMBERS and with other NYCHA employees who similarly required payments for work, that if they did not make payments to CHAMBERS, they would not be awarded additional no-bid contracts for work at East River Houses.

e. CW-21 has a contact saved in CW-21’s cellphone with the name “Chambers” and a particular phone number ending in -9621 (the “Chambers Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the Chambers Number is listed as CHAMBERS’s personal phone number.⁵

f. CW-19 provided an email chain between CW-19 and CHAMBERS’s NYCHA email address which, based on the subject line and attachment to the email, appears to attach a proposal for work to be performed at East River Houses.

⁴ CW-19 recalled paying approximately \$1,500 for the last contract, whereas CW-21 recalled paying approximately \$1,500 to \$1,800 for it.

⁵ On or about November 15 and November 22, 2023, CW-19 and CW-21, respectively, reviewed photobooks containing a photograph of CHAMBERS among photographs of dozens of other individuals, but did not identify the photograph of CHAMBERS, nor did they identify any other photographs as appearing to be the individual CW-19 knew as “Vernon Chambers” and CW-21 knew as “Chamber” at East River Houses.

9. Based on my review of financial records for the Contracting Company and for VERNON CHAMBERS, the defendant, and a financial analysis of such records, I have learned the following:

a. CHAMBERS's cash deposits into a particular bank account ("Account-1") include at least one deposit during the time period when CW-19 and CW-21 paid him approximately \$1,000 per purchase order. Specifically, on or about April 6, 2021, a no-bid contract was awarded to CW-19 and CW-21, and on or about April 14, 2021, CHAMBERS deposited \$1,000 cash into Account-1. Furthermore, Contracting Company bank records show that on or about April 13, 2021, \$900 cash was withdrawn from the Contracting Company bank account – the day before CHAMBERS's \$1,000 deposit.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of VERNON CHAMBERS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

HECTOR COLON,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24MAG408

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about March 2019 through at least in or about November 2021, in the Southern District of New York and elsewhere, HECTOR COLON, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, COLON solicited and accepted a total of at least approximately \$3,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$30,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about March 2019 through at least in or about November 2021, in the Southern District of New York and elsewhere, HECTOR COLON, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, COLON, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due COLON or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that HECTOR COLON, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

COLON’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of HECTOR COLON, the defendant:

a. From at least in or about January 2013 through at least in or about March 2019, and from at least in or about November 2019 through at least in or about November 2020, COLON was employed as a superintendent at Fort Washington Avenue Rehab (“Fort Washington”), a NYCHA development located in New York, New York.

b. From at least in or about March 2019 through at least in or about November 2019, and from at least in or about December 2020 through at least in or about October 2022, COLON was employed as a superintendent at Harlem River Houses (“Harlem River”), a NYCHA development located in New York, New York.

COLON’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-16”)² who has performed work at NYCHA’s Harlem River Houses, among other developments,³ I have learned the following, in substance and in part:

a. From at least in or about 2019 through in or about 2022, CW-16 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-16” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-16 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

b. CW-16 began performing no-bid purchase order work at Harlem River Houses in or about July 2021. CW-16 completed at least approximately three contracts at Harlem River between in or about July 2021 and in or about November 2021, during the time in which COLON served as a superintendent at that NYCHA facility.⁴ During that time, CW-16 paid COLON approximately 10% of the contract price in the basement of Harlem River for some of the no-bid contracts CW-16 received from COLON at Harlem River – one of which was approximately \$7,100, and two of which were approximately \$9,400 each – but cannot recall exactly how many or for which jobs he paid COLON.

c. On or about December 18, 2023, CW-16 reviewed photobooks containing a photograph of COLON among photographs of dozens of other individuals. CW-16 identified the photograph of COLON as looking like “Hector” from Fort Washington, the NYCHA employee to whom CW-16 had made payments in exchange for no-bid contracts from NYCHA.

d. CW-16 has a contact saved in CW-16’s cellphone with the name “Hector Fort Washington” and a particular phone number ending in -3060 (the “Hector Number”). Based on subscriber and NYCHA Human Resources records which I have reviewed, I have confirmed that the Hector Number is subscribed to in the name “Hector Colon” and is listed as COLON’s personal phone number.

e. CW-16 understood, based on his interactions with COLON and with other NYCHA employees who similarly required payments for work, that if he did not make payments to COLON, he would not be awarded additional no-bid contracts for work at COLON’s developments.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”)⁵ who has performed work at NYCHA’s Fort Washington and Harlem River Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or around 2015, CW-24 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Harlem River Houses in or about 2015. CW-24 was awarded at least approximately nine contracts at Harlem

⁴ CW-16 recalled working for COLON at Harlem River before COLON moved to Fort Washington. Another company CW-16 worked for – but one for which CW-16 did not pay COLON – completed purchase order contracts at Harlem River in or about July 2019, which is in fact before COLON transferred to Fort Washington (before returning back to Harlem River in approximately December 2020).

⁵ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-24 has never worked at any of the contracting companies where CW-16 worked. Both CW-16 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-16 and CW-24 know each other.

River between in or about March 2019 and in or about November 2019, during the time in which HECTOR COLON, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-24 paid the superintendent – whom, for the reasons described below, I believe to be COLON – approximately 10% of the contract price for several of the no-bid contracts he received at Harlem River (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work).⁶

c. CW-24 began performing no-bid purchase order work at Fort Washington in or about August 2019. CW-24 completed at least approximately three no-bid contracts at Fort Washington between in or about August 2019 and in or about March 2020, during the time in which COLON served as a superintendent or was otherwise working at that NYCHA facility.⁷ CW-24 paid an individual who, for the reasons described below, I believe to be COLON, approximately \$500 each for approximately two of these contracts.

d. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of HECTOR COLON, the defendant, among photographs of dozens of other individuals. CW-24 (who is not a native English-speaker and speaks with an accent) identified the photograph of COLON as looking like “Victor,” the NYCHA employee whom CW-24 paid in exchange for no-bid contracts from NYCHA at Harlem River and Fort Washington. On or about January 4, 2024, CW-24 clarified that the name of the individual whom CW-24 had paid at Harlem River and Fort Washington was something like “Victor” or “Hector,” and the photograph of COLON looked similar to this person although CW-24 was not 100% sure.⁸

e. CW-24 understood, based on his interactions with COLON and with other NYCHA employees who similarly required payments for work, that if he did not make payments to COLON, he would not be awarded additional no-bid contracts for work at COLON’s developments.

⁶ Some of the no-bid contracts at Harlem River had been assigned to CW-24 by a Harlem River assistant superintendent, whom CW-24 also paid.

⁷ COLON was superintendent at Fort Washington when the March 2020 contract was awarded to CW-24. Although COLON was employed by Harlem River Houses at the time the other two no-bid contracts were awarded to CW-24 on or about August 13 and August 19, 2019, NYCHA records show that COLON’s employee identification badge was used to “punch” in and out at both Harlem River and Fort Washington between approximately August 5 and August 9, 2019, and at solely Fort Washington between approximately August 12 and August 15, 2019, indicating COLON was likely providing temporary coverage at Fort Washington during these times. Additionally, both no-bid contracts awarded to CW-24 in August 2019 were “closed” on October 4, 2019, and NYCHA records show that COLON punched in and out at Fort Washington on that date (although COLON was otherwise working only at Harlem River in the preceding and following weeks).

⁸ There has not been a superintendent or manager at either Fort Washington or Harlem River Houses named “Victor” between January 2019 and December 2020, the times when CW-24 paid a superintendent named “Victor” or “Hector” at those developments, and COLON is the only superintendent named “Hector” at those developments during those times (although there was a caretaker named Victor at Fort Washington between in or about 2016 and in or about 2020).

10. Based on my review of financial records for HECTOR COLON, the defendant, and a financial analysis of such records, I have learned the following:

a. Between at least in or about April 2019 and in or about October 2022, COLON made at least 22 cash deposits – ranging from \$100 to \$3,000 – totaling approximately \$20,000 into a particular bank account (“Account-1”).


b. COLON’s cash deposits into Account-1 include deposits during the time period when CW-16 paid him approximately 10% for purchase orders worth approximately \$7,100 or \$9,400 each at Harlem River. Specifically, on or about August 20, 2021, CW-16 was awarded an approximately \$9,400 no-bid contract. On or about September 7, 2021, COLON made two deposits of \$900 each and two deposits of \$500 each. As another example, on or about October 26, 2021, CW-16 was awarded an approximately \$7,100 no-bid contract. On or about October 29, 2021, COLON deposited \$500 into Account-1.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of HECTOR COLON, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

VICTOR DE LOS SANTOS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24MAG411

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about October 2016 through at least in or about July 2022, in the Southern District of New York and elsewhere, VICTOR DE LOS SANTOS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2016 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, DE LOS SANTOS solicited and accepted a total of at least approximately \$35,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$280,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about October 2016 through at least in or about July 2022, in the Southern District of New York and elsewhere, VICTOR DE LOS SANTOS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, DE LOS SANTOS, under color of official right, obtained

money from NYCHA contractors, with their consent, that was not due DE LOS SANTOS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that VICTOR DE LOS SANTOS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

DE LOS SANTOS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of VICTOR DE LOS SANTOS, the defendant:

a. From at least in or about September 2016 through in or about the present, DE LOS SANTOS was employed as a superintendent at Lincoln Houses, a NYCHA development located in New York, New York.

DE LOS SANTOS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-9”)² who has performed work at NYCHA’s Lincoln Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-9 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-9 began performing no-bid purchase order work at Lincoln Houses in or about October 2016. CW-9 was awarded approximately 55 no-bid contracts at Lincoln Houses

² The cooperating witnesses referenced in this Complaint are designated as “CW-9” and “CW-21” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-9 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. Based on a review of documents generated during a background check conducted by NYCHA in or about 2020, it appears that CW-9 may have provided inaccurate information regarding the ownership and operation of, and affiliation between, certain contracting companies with which CW-9 performed contracting work for NYCHA.

from in or about October 2016 through in or about July 2022, during the time in which VICTOR DE LOS SANTOS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-9 paid DE LOS SANTOS for all or nearly all of the no-bid contracts CW-9 received from DE LOS SANTOS at Lincoln Houses. DE LOS SANTOS asked CW-9 to pay 20% – that is, \$2,000 for \$10,000 contracts and \$1,000 for \$5,000 contracts – but CW-9 did not always pay the full amount requested by DE LOS SANTOS. CW-9 paid DE LOS SANTOS in cash at Lincoln Houses when they were alone.

c. CW-9 understood, based on his interactions with DE LOS SANTOS and with other NYCHA employees who similarly required payments for work, that if CW-9 did not make payments to DE LOS SANTOS, CW-9 would not be awarded additional no-bid contracts for work at Lincoln Houses.

d. On or about May 26, 2023, CW-9 reviewed photobooks containing a photograph of DE LOS SANTOS among photographs of dozens of other individuals. CW-9 identified the photograph of DE LOS SANTOS as “Victor” at Lincoln Houses, the NYCHA superintendent to whom CW-9 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-9 has a contact saved in CW-9’s cellphone with the name “Victor Delossan” and a particular phone number ending in -0234 (the “0234 Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 0234 Number is the personal phone number listed for DE LOS SANTOS.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-21”),⁴ who has performed work at NYCHA’s Lincoln Houses, among other developments, I have learned the following, in substance and in part:

a. From at least in or about 2021 through at least in or about 2023, CW-21 performed contracting work for NYCHA as co-owner of a particular contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-21 began performing no-bid purchase order work at Lincoln Houses in or about March 2021. CW-21 was awarded approximately eight no-bid contracts at Lincoln Houses from in or about March 2021 through in or about June 2022, during the time in which VICTOR DE LOS SANTOS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-21 paid DE LOS SANTOS for all or nearly all of the no-bid contracts CW-21 received from DE LOS SANTOS at Lincoln Houses except for one contract which was canceled. Specifically, CW-21 paid DE LOS SANTOS, at DE LOS SANTOS’s direction,

⁴ CW-21 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-21 has never worked at any of the contracting companies where CW-9 worked. Both CW-9 and CW-21 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-9 and CW-21 know each other.

approximately \$1,000 cash for each \$5,000 contract and approximately \$500 cash for each \$2,500 contract. DE LOS SANTOS told CW-21, in substance and in part, “I’ll give you work, but you take care of me,” which CW-21 understood to mean that CW-21 had to pay DE LOS SANTOS in order to obtain no-bid contracts.

c. On or about November 22, 2023, CW-21 reviewed photobooks containing a photograph of DE LOS SANTOS among photographs of dozens of other individuals. CW-21 identified the photograph of DE LOS SANTOS as “Victor” whose last name starts with a “D,” at Lincoln Houses, the NYCHA employee to whom CW-21 had made payments in exchange for no-bid contracts from NYCHA.

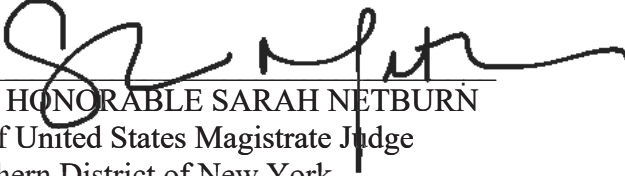
d. CW-21 has a contact saved in CW-21’s cellphone with the name “Super Victor Linclon [*sic*]” and the 0234 Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of VICTOR DE LOS SANTOS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JOSEPH FULLER,
CHRISIE SALTER, and
GEORGE KEMP,

Defendants.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 371, 666, and 1951

COUNTY OF OFFENSE:
NEW YORK

24MAG412

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Conspiracy to Solicit and Receive a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 up to and including at least in or about November 2022, in the Southern District of New York and elsewhere, JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, solicitation and receipt of a bribe by an agent of an organization receiving federal funds, in violation of Title 18, United States Code, Section 666(a)(1)(B).

2. It was a part and an object of the conspiracy that JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, being agents of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, would and did corruptly solicit and demand for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, FULLER, SALTER, and KEMP conspired to and did solicit and accept a total of at least approximately \$45,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$275,000.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, committed or caused to be committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about 2021 or 2022, after a certain NYHCA contractor (“CW-7”)¹ gave FULLER an envelope of money in exchange for no-bid contracts at a NYCHA development, FULLER gave a portion of the money to KEMP.

b. In or about July 2022, CW-7 paid FULLER for a no-bid contract that SALTER had awarded to CW-7.

c. In or about 2021 or 2022, FULLER told a certain NYHCA contractor (“CW-13”) that CW-13 needed to begin paying FULLER a higher amount for each no-bid contract because FULLER needed to share the money with KEMP.

(Title 18, United States Code, Section 371.)

COUNT TWO **(Solicitation and Receipt of a Bribe by Agent of Organization Receiving Federal Funds)**

4. From at least in or about 2018 up to and including at least in or about November 2022, in the Southern District of New York and elsewhere, JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, being agents of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, NYCHA, which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, FULLER, SALTER, and KEMP solicited and accepted a total of at least approximately \$45,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$275,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

¹ The cooperating witnesses referenced in this Complaint are designated as “CW-7,” “CW-13,” and “CW-5” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

COUNT THREE

(Conspiracy to Commit Extortion Under Color of Official Right)

5. From at least in or about 2018 up to and including at least in or about November 2022, in the Southern District of New York and elsewhere, JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, and others known and unknown, knowingly combined, conspired, confederated, and agreed together and with each other to commit extortion under color of official right, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and would and did obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, FULLER, SALTER, and KEMP conspired to obtain and did obtain money from NYCHA contractors, under color of official right and with the contractors' consent, that was not due FULLER, SALTER, or KEMP or their office.

(Title 18, United States Code, Section 1951.)

COUNT FOUR

(Extortion Under Color of Official Right)

6. From at least in or about 2018 up to and including at least in or about November 2022, in the Southern District of New York and elsewhere, JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, FULLER, SALTER, and KEMP, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due FULLER, SALTER, or KEMP or their office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

7. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

8. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts

that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

9. As set forth in more detail below, there is probable cause to believe that JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, employees of NYCHA at all relevant times, conspired to and did solicit and accept bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and conspired to and did extort contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

10. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA's operations are funded, in part, by grants from the United States Department of Housing and Urban Development ("HUD"). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA's budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions "in a manner providing full and open competition." As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a "blanket contract" that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a "micro purchase," and which contractors often refer to as a "purchase order" or "PO" contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This "no-bid" process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site

visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor's work satisfactory, the NYCHA staff member approves the contractor's "statement of services" and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor's bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the "Manual"), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that "Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board² from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation."

² The NYC Conflicts of Interest Board defines a "valuable gift" as "any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form."

FULLER'S, SALTER'S, AND KEMP'S EMPLOYMENT BY NYCHA

11. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JOSEPH FULLER, the defendant:

a. From at least in or about March 2021 through at least in or about December 2022, FULLER was employed as an assistant superintendent at Seth Low Houses, a NYCHA development located in Brooklyn, New York.

b. From at least in or about December 2022 through the present, FULLER was employed as an assistant superintendent at Baisley Park, a NYCHA development located in Queens, New York.

12. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CHRISIE SALTER, the defendant:

a. From at least in or about September 2019 through at least in or about March 2022, SALTER was employed as an assistant superintendent at Hammel Houses and Carleton Manor, jointly-managed NYCHA developments located in Queens, New York.

b. From at least in or about March 2022 through the present, SALTER was employed as a superintendent at Tilden Houses, a NYCHA development located in Brooklyn, New York.

13. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of GEORGE KEMP, the defendant:

a. From at least in or about August 2017 through at least in or about March 2019, KEMP was employed as an assistant superintendent at Marble Hill Houses, a NYCHA development located in the Bronx, New York.

b. From at least in or about March 2019 through at least in or about May 2020, KEMP was employed as an assistant superintendent at Rutgers Houses, a NYCHA development located in New York, New York.

c. From at least in or about June 2020 through at least in or about August 2021, KEMP was employed as a superintendent at Howard Houses, a NYCHA development located in Brooklyn, New York.

d. From at least in or about August 2021 through at least in or about June 2022, KEMP was employed as a superintendent at Seth Low Houses, a NYCHA development located in Brooklyn, New York.

e. From at least in or about June 2022 through at least in or about April 2023, KEMP was employed as a superintendent at Brownsville Houses, a NYCHA development located in Brooklyn, New York.

THE DEFENDANTS' SCHEME TO SOLICIT AND RECEIVE PAYMENTS

14. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with CW-7,³ a cooperating witness who has performed work at NYCHA's Seth Low Houses, Tilden Houses, Marble Hill Houses, Rutgers Houses, and Howard Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-7 performed contracting work for NYCHA with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-7 began performing no-bid purchase order work at Seth Low Houses in or about April 2021. CW-7 was awarded at least approximately nine no-bid contracts at Seth Low Houses from in or about April 2021 through in or about September 2022, during the time in which JOSEPH FULLER, the defendant, served as an assistant superintendent at that NYCHA facility. At FULLER's direction, CW-7 paid FULLER approximately \$3,000 in cash for each of at least five \$10,000 contracts, and approximately \$1,500 in cash for each of at least four \$5,000 contracts.⁴

c. On one occasion in or about 2021 or 2022, after CW-7 made a cash payment to FULLER at Seth Low Houses, CW-7 observed FULLER take some of the money out of the envelope and call GEORGE KEMP, the defendant. KEMP then came to where FULLER and CW-7 were, at which point FULLER handed KEMP the cash that FULLER had taken out of the envelope.

d. In or about July 2022, CHRISIE SALTER, the defendant, awarded CW-7 an approximately \$7,000 no-bid contract at Tilden Houses, during the time in which SALTER served as a superintendent at that NYCHA facility. FULLER told CW-7 to pay FULLER for the no-bid contract awarded by SALTER, and CW-7 paid FULLER approximately \$1,500 cash.⁵

e. CW-7, along with CW-7's business partner ("CW-5"⁶), also paid KEMP at, among other developments, Marble Hill Houses, Rutgers Houses, and Howard Houses. CW-7

³ CW-7 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

⁴ NYCHA records list FULLER's name as the "requestor" for each of these contracts, and indicate all approximately nine no-bid contracts at Seth Low were "closed" (which indicates a NYCHA employee approved the completed work).

⁵ CW-7 understands FULLER and SALTER to be married, and NYCHA Human Resources records show that FULLER and SALTER have listed the same home address.

⁶ CW-5 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-5 and CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed

first began completing contracts awarded by KEMP at Marble Hill Houses in or about 2018. After trying multiple times to be awarded a no-bid contract at Marble Hill Houses, CW-7 and CW-5 were eventually awarded a no-bid contract by KEMP, and thereafter KEMP and CW-5 went for a walk. When they returned, CW-5 told CW-7, in substance and in part, that KEMP was asking CW-7 and CW-5 to pay KEMP 20% of the contract price, which CW-7 and CW-5 did in fact pay to KEMP for that and future contracts awarded by KEMP.⁷ KEMP's required price was later raised to 30% – that is, \$3,000 for a \$10,000 contract and \$1,500 for a \$5,000 contract – and KEMP told them that they had to pay if they wanted to work.⁸ Collectively, CW-7 and CW-5 completed approximately 14 no-bid contracts at Marble Hill Houses, Rutgers Houses, and Howard Houses between in or about October 2018 and in or about July 2021, at times when KEMP was employed at each development.

f. CW-7 understood, based on CW-7's interactions with FULLER, SALTER, and KEMP, and with other NYCHA employees who similarly required payments for work, that if CW-7 did not make payments to the defendants, CW-7 would not be awarded additional no-bid contracts for work at the developments at which they worked.

g. On or about July 20, 2023, CW-7 reviewed photobooks containing photographs of FULLER, SALTER, and KEMP among photographs of dozens of other individuals. CW-7 correctly identified the photograph of FULLER as "Joseph Fuller" and KEMP as "George Kemp," the NYCHA employees to whom CW-7 had made payments in exchange for no-bid contracts from NYCHA. CW-7 did not identify the photograph of SALTER, nor did CW-7 identify any other photographs as looking like the superintendent from Tilden Houses.

h. CW-7 has a contact saved in CW-7's cellphone with the name "Joseph Fuller Seth Low" and a particular phone number ending in -5368 (the "Fuller Number"). Based on subscriber records which I have reviewed, I have confirmed that the Fuller Number is a personal phone number subscribed to by FULLER.

i. CW-7 has a contact saved in CW-7's cellphone with the name "Chrisie Salter Tilden Super" and a particular phone number ending in -9151 (the "Salter Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the Salter Number is listed as SALTER's personal phone number.

j. CW-7 has a contact saved in CW-7's cellphone with the name "George Kemp Super" and a particular phone number ending in -9287 (the "Kemp Number"). Based on subscriber records which I have reviewed, I have confirmed that the Kemp Number is a personal phone number subscribed to by KEMP.

by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

⁷ Although CW-5 was the individual who gave the payment to KEMP, CW-5 and CW-7 typically went to the bank together to obtain the money.

⁸ CW-5 recalled that CW-5 and CW-7 had to pay KEMP approximately 30% from the first contract KEMP awarded to them.

15. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with CW-13,⁹ a cooperating witness who has performed work at NYCHA's Seth Low Houses, Hammel Houses, and Tilden Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2021, CW-13 performed both no-bid and blanket contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-13 began performing no-bid purchase order work at Seth Low Houses in or about May 2021. CW-13 was awarded approximately seven no-bid contracts at Seth Low Houses from in or about May 2021 through in or about March 2022, during the time in which JOSEPH FULLER, the defendant, served as an assistant superintendent at that NYCHA facility.¹⁰ Approximately one contract was worth approximately \$5,000 and approximately six contracts were worth approximately \$10,000 each.

c. When CW-13 first met FULLER, FULLER told CW-13, in substance and in part, how much money FULLER wanted in exchange for awarding no-bid contracts to CW-13. Initially FULLER asked for 10% of the contract value, but in or about 2021 or 2022, FULLER asked CW-13 for either 15% or 20% and said, in substance and in part, that the rates had changed, and that there were other contractors willing to pay that higher amount.¹¹ FULLER told CW-13 that FULLER needed the higher amount in order to pay GEORGE KEMP, the defendant, who was the superintendent at Seth Low Houses during approximately the same time that FULLER was assistant superintendent.¹² CW-13 did not pay the higher amount that FULLER requested, and FULLER told CW-13, in substance and in part, that the amount CW-13 was paying was not high enough. After this, CW-13 did not obtain additional contracts for work at Seth Low Houses.

d. Before FULLER ceased awarding CW-13 contracts, FULLER referred CW-13 to several other NYCHA employees at other developments including CHRISIE SALTER, the defendant, at Hammel Houses. When referring CW-13 to SALTER, FULLER told CW-13, in substance and in part, that the "same deal" that CW-13 and FULLER had – that is, the cash

⁹ CW-13 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview. CW-13 has never worked at any of the contracting companies where CW-7 or CW-5 worked. CW-7, CW-5, and CW-13 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-13 knows CW-7 or CW-5.

¹⁰ NYCHA records include FULLER's name as the "requestor" in connection with each of these contracts, and indicate all approximately seven no-bid contracts were "closed."

¹¹ During one proffer, CW-13 stated that FULLER had asked for 15% in or about 2022, and in a later proffer CW-13 stated that in or about 2021 or 2022, FULLER had asked CW-13 for 20%, or \$1,000 for a \$5,000 contract.

¹² CW-13 is not aware whether FULLER in fact paid some of the money to KEMP as FULLER stated.

payments – applies at Hammel Houses. CW-13 was awarded approximately five no-bid contracts at Hammel Houses between in or about May 2021 and June 2021, during the time in which SALTER served as an assistant superintendent at that NYCHA facility.¹³ After each no-bid contract was approved at Hammel, CW-13 paid SALTER approximately 10% of the value of the contract – four of which were approximately \$5,000 each, and one of which was approximately \$3,000 – in cash.

e. CW-13 also performed both no-bid purchase order and blanket contract work at Tilden Houses, where SALTER worked after Hammel Houses. From in or about April 2022 through in or about November 2022, CW-13 was awarded approximately seven no-bid contracts at Tilden Houses, during the time in which SALTER served as a superintendent at that NYCHA facility. After each no-bid contract was approved at Tilden Houses, CW-13 paid SALTER approximately 10% of the value of the contract – four of which were approximately \$10,000 each, two of which were approximately \$9,000 each, and one of which was approximately \$6,000 – in cash. CW-13 also sometimes (but not always) paid SALTER money for work performed at Tilden Houses pursuant to a blanket contract CW-13 had been awarded by NYCHA.

f. KEMP also demanded payment from CW-13 after CW-13 completed some work at Brownsville Houses pursuant to a blanket contract, but CW-13 did not pay KEMP. Specifically, KEMP told CW-13 that CW-13 had been allowed to perform the work at Brownsville because of KEMP, and therefore CW-13 needed to pay KEMP. KEMP repeatedly called CW-13 and yelled at CW-13, demanding payment. CW-13 did not pay KEMP, and instead CW-13 asked the Brownsville manager to approve the work, which the manager did.

g. CW-13 understood, based on CW-13’s interactions with FULLER, SALTER, and KEMP, and with other NYCHA employees who similarly required payments for work, that if CW-13 did not make payments to FULLER, SALTER, and KEMP, CW-13 would not be awarded additional no-bid contracts for work at the developments at which they worked.

h. On or about November 20, 2023, CW-13 reviewed photobooks containing photographs of FULLER, SALTER, and KEMP, among photographs of dozens of other individuals. CW-13 identified the photograph of FULLER as looking like “Joseph Fuller” (although CW-13 noted that “the face looks wider”), and identified the photograph of SALTER as “Chrisie Salter,” the NYCHA employees to whom CW-13 had made payments in connection with certain NYCHA contracts. CW-13 also identified the photograph of KEMP as “George Kemp,” the NYCHA employee who had demanded money from CW-13 at Brownsville Houses.

i. CW-13 has a contact saved in CW-13’s cellphone with the name “Joseph Fuller Low Houses” and the Fuller Number.

j. CW-13 has a contact saved in CW-13’s cellphone with the name “Ms Solter Ast Super Hammels June 22” and the Salter Number.

k. CW-13 provided certain emails between CW-13 and FULLER’s and SALTER’s NYCHA email addresses which include proposals for no-bid contracts CW-13 was

¹³ NYCHA records include SALTER’s name as the “requestor” in connection with each of these contracts and indicate each contract is “closed.”

seeking to be awarded at Seth Low, Tilden, and Hammel Houses, as well as statements of services for no-bid contract work completed by CW-13.

16. Based on my review of financial records for CHRISIE SALTER, the defendant, and a financial analysis of such records, I have learned the following, among other things:

a. Between at least in or about 2020 and in or about 2022, SALTER made several large cash deposits into a particular bank account (the “Salter Account”) around the time CW-13 was paying approximately 10% of the value of no-bid contracts at Tilden Houses to SALTER in cash. For example:

i. On or about June 8, 2021, CW-13 was awarded an approximately \$4,000 no-bid contract at Tilden Houses. On or about June 10, 2021, SALTER deposited \$1,000 cash into the Salter Account.

ii. On or about July 21, 2021, CW-13 was awarded an approximately \$4,300 no-bid contract at Tilden Houses. On or about July 27, 2021, SALTER deposited \$1,000 cash into the Salter Account.

iii. On or about September 20, 2022, CW-13 was awarded an approximately \$10,000 no-bid contract at Tilden Houses. On or about September 29, 2022, SALTER deposited \$800 cash into the Salter Account.

17. Based on my review of financial records for GEORGE KEMP, the defendant, and a financial analysis of such records, I have learned the following, among other things:

a. Between at least in or about 2016 and at least in or about December 2022, KEMP deposited over \$127,000 in cash – in approximately 193 transactions, frequently of hundreds or thousands of dollars at a time – into a particular bank account (the “Kemp Account”).

b. KEMP’s cash deposits into the Kemp Account include deposits during the time period when CW-7 paid him in cash for no-bid contracts. For example, on or about April 19, 2021, CW-7 was awarded an approximately \$5,000 no-bid contract at Howard Houses, where KEMP was working at the time. On the same day, KEMP deposited \$600 cash into the Kemp Account, and on or about April 22, 2021, KEMP deposited \$500 cash into the Kemp Account.

WHEREFORE, I respectfully request that warrants be issued for the arrest of JOSEPH FULLER, CHRISIE SALTER, and GEORGE KEMP, the defendants, and that they be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 413

UNITED STATES OF AMERICA

v.

SELWYN BARLEY,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about August 2018 through at least in or about May 2021, in the Southern District of New York and elsewhere, SELWYN BARLEY, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, BARLEY solicited and accepted a total of at least approximately \$9,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$90,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about August 2018 through at least in or about May 2021, in the Southern District of New York and elsewhere, SELWYN BARLEY, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, BARLEY, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due BARLEY or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that SELWYN BARLEY, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

BARLEY’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of SELWYN BARLEY, the defendant:

- a. From at least in or about May 2013 through at least in or about September 2021, BARLEY was employed as a superintendent at Brownsville Houses, a NYCHA development located in Brooklyn, New York.
- b. BARLEY retired from NYCHA in or about September 2021.

BARLEY’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-13”)² who has performed work at NYCHA’s Brownsville Houses, among other developments,³ I have learned the following, in substance and in part:

- a. Since at least in or about 2020, CW-13 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.
- b. CW-13 began performing no-bid purchase order work at Brownsville in or about January 2021. CW-13 was awarded at least approximately 15 no-bid contracts at Brownsville from in or about January 2021 through in or about May 2021, during the time in which

² The cooperating witnesses referenced in this Complaint are designated as “CW-13” and “CW-3” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-13 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview.

SELWYN BARLEY, the defendant, served as a superintendent in that NYCHA facility. During that time, CW-13 paid BARLEY approximately 10% of the contract price for approximately all of the no-bid contracts CW-13 received from BARLEY at Brownsville. The contracts were typically worth approximately \$5,000 each, and CW-13 therefore paid BARLEY approximately \$500 per contract.

c. When CW-13 first attempted to be awarded no-bid contracts by BARLEY for work to be completed at Brownsville, BARLEY asked CW-13, in sum and substance, “what is in it for me?” CW-13 responded to BARLEY, in sum and substance, “don’t worry about it, I will work it out,” and after that conversation CW-13 began to be awarded no-bid contracts by BARLEY. After being awarded a contract, BARLEY would typically call CW-13 and ask, in sum and substance, “when are you coming to see me?” which CW-13 understood to mean CW-13 had to go pay BARLEY.

d. CW-13 understood, based on his interactions with BARLEY and with other NYCHA employees who similarly required payments for work, that if CW-13 did not make payments to BARLEY, CW-13 would not be awarded additional no-bid contracts for work at Brownsville.⁴

e. On or about November 20, 2023, CW-13 reviewed photobooks containing a photograph of BARLEY among photographs of dozens of other individuals. CW-13 correctly identified the photograph of BARLEY as “Selwyn Barley,” the NYCHA employee to whom CW-13 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-13 has a contact saved in CW-13’s cellphone with the name “Barley Super Brownsville” and a particular phone number ending in -1921 (the “BARLEY Number”). Based on commercial database records which I have reviewed, I have confirmed that the BARLEY Number is a personal phone number associated with BARLEY.

g. CW-13 provided approximately 16 emails between CW-13 and BARLEY’s NYCHA email address, which include proposals for no-bid contracts CW-13 was seeking to be awarded and statements of services for no-bid contract work completed by CW-13.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-3”),⁵ who has

⁴ In or about July 2021, state and city law enforcement agents interviewed SELWYN BARLEY, the defendant, as part of a separate investigation. During that interview, BARLEY stated, in substance and in part, that certain NYCHA contractors – including CW-13 – had offered him money but that he had not accepted their money.

⁵ CW-3 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview. CW-3 has never worked at any of the contracting companies where CW-13 worked. Both CW-3 and CW-13 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-3 and CW-13 know each other.

performed work at NYCHA’s Brownsville Houses, among other developments, I have learned the following, in substance and in part:

a. From at least in or about 2018 through in or about 2021, CW-3 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-3 began performing no-bid purchase order work at Brownsville in or about 2018. CW-3 was awarded at least approximately eight no-bid contracts at Brownsville from in or about August 2018 through in or about January 2021, during the time in which SELWYN BARLEY, the defendant, served as a superintendent in that NYCHA facility. During that time, CW-3 paid BARLEY approximately \$500 most of the no-bid contracts that CW-3 received from BARLEY at Brownsville.⁶ BARLEY would sometimes tell CW-3, in sum and substance, “Take care of me,” when requesting payment.

c. CW-3 understood, based on his interactions with BARLEY and with other NYCHA employees who similarly required payments for work, that if CW-3 did not make payments to BARLEY, CW-3 would not be awarded additional no-bid contracts for work at Brownsville.

d. On or about October 4, 2023, CW-3 reviewed photobooks containing a photograph of BARLEY among photographs of dozens of other individuals. CW-3 identified the photograph of BARLEY as “Bali,” the NYCHA employee from Brownsville to whom CW-3 had made payments in exchange for no-bid contracts from NYCHA.⁷

e. CW-3 has a contact saved in CW-3’s cellphone with the name “Bali Subher” – which appears to be a misspelling of “super” – and the BARLEY Number.

⁶ During a proffer at which CW-3’s recollection was refreshed with records of the specific types of work and contract amounts – all approximately \$5,000 – from Brownsville, CW-3 estimated that CW-3 paid BARLEY approximately \$500 per job. CW-3 later testified before the grand jury, without reference to any records of specific jobs, that he estimated he sometimes paid BARLEY \$500 or \$1,000 per contract, and may have paid \$300 on certain occasions.

⁷ Notes from the October 4, 2023 proffer indicate that CW-3 initially identified the development as “Bronxville,” but CW-3 later discussed paying “Bali” – that is, BARLEY – at Brownsville. CW-3 is not a native English speaker and the proffer was conducted through the use of an interpreter, so “Bronxville” – which is not a NYCHA development – appears to be either a typographical error or a misunderstanding of what CW-3 initially stated.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of SELWYN BARLEY, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)

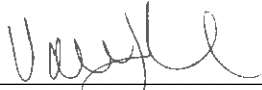
DELCINE DOSCHER

Special Investigator

New York City Department of Investigation

Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.



THE HONORABLE VALERIE FIGUEREDO

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 414

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

GWENDOLYN BELL,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

KAREN SMITH, being duly sworn, deposes and says that she is a Confidential Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2019 through at least in or about 2023, in the Southern District of New York and elsewhere, GWENDOLYN BELL, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, BELL solicited and accepted a total of at least approximately \$28,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$250,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2019 through at least in or about 2023, in the Southern District of New York and elsewhere, GWENDOLYN BELL, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, BELL, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due BELL or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Confidential Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2023. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that GWENDOLYN BELL, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

BELL’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of GWENDOLYN BELL, the defendant:

a. From at least in or about March 2019 through at least in or about May 2021, BELL was employed as an assistant superintendent at Fiorentino Plaza, a NYCHA development located in Brooklyn, New York.²

b. From at least in or about May 2021 through at least in or about November 2022, BELL was employed as a superintendent at Breukelen, a NYCHA development located in Brooklyn, New York.

c. From at least in or about November 2022 through at least in or about January 2024, BELL was employed as a superintendent at Marlboro, a NYCHA development located in Brooklyn, New York.

BELL’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)³ who has performed work at NYCHA’s Breukelen and Marlboro, among other developments,⁴ I have learned the following, in substance and in part:

² Fiorentino Plaza is managed by another NYCHA facility, Unity Plaza. As an assistant superintendent at Fiorentino Plaza, GWENDOLYN BELL, the defendant, also had authority to approve no-bid purchase orders at Unity Plaza.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-6” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I

a. Since at least in or about 2020, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 was awarded at least approximately four no-bid contracts at Breukelen from in or about March 2022 through in or about October 2022, during the time in which GWENDOLYN BELL, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-2 paid approximately \$1,500 in cash for approximately one \$10,000 no-bid contract, and between \$600 and \$700 in cash for each of approximately three \$5,000 no-bid contracts.

c. CW-2 was awarded approximately nine no-bid contracts at Marlboro from in or about March 2023 through in or about July 2023, during the time in which BELL served as a superintendent at that NYCHA facility. During that time, CW-2 paid BELL between approximately \$500 and \$1,000 in cash for each of the no-bid contracts that CW-2 was awarded by BELL for work at Marlboro.

d. CW-2 understood, based on CW-2's interactions with BELL and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to BELL, CW-2 would not be awarded additional no-bid contracts for work at the NYCHA developments at which BELL worked.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of BELL among photographs of dozens of other individuals. CW-2 identified the photograph of BELL as "Ms. Bell," the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-2 has a contact saved in CW-2's cellphone with the name "Bell Gwendolyn Super" and a particular phone number ending in -0141 (the "BELL Number"). Based on subscriber records which I have reviewed, I have confirmed that the BELL Number is subscribed to "Gwendolyn Bell."

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-6"),⁵ who has performed work at NYCHA's Unity Plaza, among other developments, I have learned the following, in substance and in part:

have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁵ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-6 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-6 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-6 know each other.

a. Since at least in or about 2019, CW-6 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at Unity Plaza in or about July 2019. CW-6 was awarded approximately seven no-bid contracts at Unity Plaza from in or about July 2019 through in or about June 2020, during the time in which GWENDOLYN BELL, the defendant, served as an assistant superintendent at Fiorentino Plaza. However, CW-6 initially was not able to obtain contracts from BELL at Unity Plaza. After CW-6 paid BELL approximately \$200, BELL began awarding contracts to CW-6 for work at Unity Plaza. From in or about July 2019 through in or about June 2020, CW-6 paid BELL for each of the no-bid contracts CW-6 received at Unity Plaza. Specifically, CW-6 paid BELL approximately \$1,000 cash for each \$5,000 contract, and between approximately \$300 and \$700 for each of the smaller contracts.

c. CW-6 began performing no-bid purchase order work at Breukelen in or about October 2019. CW-6 was awarded approximately five no-bid contracts at Breukelen from in or about January 2022 through in or about August 2022, during the time in which BELL served as a superintendent at Breukelen. During that time, CW-6 paid BELL approximately 20% of the contract price for each of the no-bid contracts CW-6 received at Breukelen. The contracts were typically each worth between approximately \$5,000 and \$10,000, and CW-6 therefore paid BELL between approximately \$1,000 and \$2,000 in cash per contract.

d. CW-6 understood, based on CW-6's interactions with BELL and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make payments to BELL, CW-6 would not be awarded no-bid contracts from BELL.

e. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of BELL among photographs of dozens of other individuals. CW-6 identified the photograph of BELL as "Gwendolyn Bell" at Marlboro, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.⁶

f. CW-6 has a contact saved in CW-6's cellphone with the name of "Miss Bell (unity plaza)" and the BELL Number.

⁶ While reviewing photographs on or about July 21, 2023, CW-6 also identified a photograph of another individual—*i.e.*, not BELL—as the same person to whom CW-6 made payments in exchange for a no-bid contracts from NYCHA. This individual looks somewhat similar to BELL but has never worked at Marlboro.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of GWENDOLYN BELL, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

Karen Smith (by VF with permission) _____

KAREN SMITH

Confidential Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.



THE HONORABLE VALERIE FIGUEREDO

United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 415

UNITED STATES OF AMERICA

v.

PATRICK BUTLER,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2015 through at least in or about June 2022, in the Southern District of New York and elsewhere, PATRICK BUTLER, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, BUTLER solicited and accepted a total of at least approximately \$39,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$330,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2015 through at least in or about June 2022, in the Southern District of New York and elsewhere, PATRICK BUTLER, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, BUTLER, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due BUTLER or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that PATRICK BUTLER, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

BUTLER’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of PATRICK BUTLER, the defendant:

a. From at least in or about July 2012 through at least in or about April 2016, BUTLER was employed as an assistant superintendent at Linden Houses, a NYCHA development located in Brooklyn, New York.

b. From at least in or about April 2016 through at least in or about May 2016, BUTLER was employed as an assistant superintendent at Marble Hill Houses, a NYCHA development located in the Bronx, New York.

c. From at least in or about May 2016 through at least in or about December 2016, BUTLER was employed as an assistant superintendent at Drew-Hamilton Houses, a NYCHA development located in New York, New York.

d. From at least in or about December 2016 through at least in or about June 2022, BUTLER was employed as an assistant superintendent and then superintendent at Public School 139 (“P.S. 139”), a NYCHA development located in New York, New York, that, until in or about November 2020, was managed by Drew-Hamilton Houses.

e. BUTLER retired from NYCHA employment in or about July 2022.

BUTLER’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-6” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

performed work at NYCHA’s Linden Houses and Drew-Hamilton Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since in or about 2015, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Linden Houses in or about May 2014. CW-2 was awarded approximately 59 contracts at Linden Houses between in or about May 2014 and in or about April 2016 during the time in which BUTLER served as an assistant superintendent at that NYCHA facility.⁴ During that time, CW-2 did not initially pay BUTLER but, beginning in or about 2015, paid BUTLER approximately 10% of the value of the contract for each no-bid contract CW-2 received at Linden Houses—approximately 47 contracts that were typically worth approximately \$5,000 each.

c. CW-2 began performing no-bid purchase order work at Drew-Hamilton Houses in or about October 2017. CW-2 was awarded approximately 13 contracts at Drew-Hamilton Houses between in or about October 2017 and in or about June 2022.⁵ During that time, CW-2 paid BUTLER approximately 10% of the value of the contract for each no-bid contract he received at Drew-Hamilton Houses except for the first contract. Specifically, CW-2 paid BUTLER approximately \$500 in cash for each of approximately 11 no-bid contracts that were worth approximately \$5,000 each, and approximately \$1,000 in cash for approximately one no-bid contract that was worth approximately \$10,000.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ NYCHA records include BUTLER’s name as the “deliver to person” in connection with approximately three of these contracts; although other contracts that CW-2 completed during this time period had a person other than BUTLER listed as the “deliver to person,” I understand from reviewing a report of another law enforcement agent’s conversation with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into NYCHA’s computerized system, and individuals other than the person listed as the “deliver to person” could have involvement in awarding or processing a particular no-bid contract.

⁵ Although BUTLER is listed in NYCHA employment records as having been assigned during this period to P.S. 139 (which, as noted, was previously managed by Drew-Hamilton Houses), NYCHA records show that BUTLER’s identification badge nearly always “punched in” at Drew-Hamilton Houses between at least in or about October 2017 and in or about June 2022. Additionally, NYCHA records include BUTLER’s name as the “deliver to person” in connection with approximately one of these contracts at Drew-Hamilton Houses in or about February 2021, which is during the time in which BUTLER’s employment records list BUTLER as having been employed at P.S. 139. It therefore appears that BUTLER was working at Drew-Hamilton Houses during the time of CW-2’s contracts, even though he was administratively assigned to P.S. 139.

d. CW-2 understood, based on his interactions with BUTLER and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to BUTLER, CW-2 would not be awarded additional no-bid contracts for work at the NYCHA developments at which BUTLER worked.

e. CW-2 has a contact saved in CW-2's cellphone with the name "Butler Super" and a particular phone number ending in -8641 (the "BUTLER Number"). Based on subscriber and NYCHA Human Resources records which I have reviewed, I have confirmed that the BUTLER Number is a personal phone number used by BUTLER.

f. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of BUTLER among photographs of dozens of other individuals. CW-2 correctly identified the photograph of BUTLER as "Butler" at Drew-Hamilton Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA, and later confirmed that this individual is the person saved in CW-2's phone as "Butler Super."

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-6"),⁶ who has performed work at NYCHA's Drew-Hamilton Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-6 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at Drew-Hamilton Houses in or about March 2018. CW-6 was awarded approximately 11 contracts at Drew-Hamilton Houses between in or about March 2018 and in or about May 2022 during the time in which BUTLER served as an assistant superintendent and superintendent at Drew-Hamilton Houses and P.S. 139. During that time, CW-6 paid BUTLER approximately 20% of the contract price for all or nearly all of the no-bid contracts he completed at Drew-Hamilton Houses – that is, approximately \$1,000 in cash for each \$5,000 contract and approximately \$2,000 in cash for each \$10,000 contract (except for a particular \$10,000 tiling contract for which CW-6 paid BUTLER only \$1,500 because of the high cost of materials). Prior to paying BUTLER, CW-6 had attempted to obtain no-bid contracts at Drew-Hamilton Houses on multiple occasions without success, but CW-6 then paid BUTLER approximately \$200 and on or about the same day BUTLER informed CW-6 that BUTLER had work available for CW-6.

c. CW-6 understood, based on his interactions with BUTLER and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make

⁶ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-6 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-6 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-6 know each other.

payments to BUTLER, CW-6 would not be awarded additional no-bid contracts for work at the NYCHA developments at Drew-Hamilton Houses.

d. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of BUTLER among photographs of dozens of other individuals. CW-6 correctly identified the photograph of BUTLER as “Patrick Butler” at Drew-Hamilton Houses, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-6 has a contact saved in CW-6’s cellphone with the name “Patrick.butler” and the BUTLER Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of PATRICK BUTLER, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Rasove Ramirez (by VF with permission)


RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.



THE HONORABLE VALERIE FIGUEREDO

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

COREY GILMORE,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG416

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2016 through at least in or about 2022, in the Southern District of New York and elsewhere, COREY GILMORE, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2016 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, GILMORE solicited and accepted a total of at least approximately \$27,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$175,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2016 through at least in or about 2022, in the Southern District of New York and elsewhere, COREY GILMORE, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code,

Section 1951(b)(3), to wit, GILMORE, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due GILMORE or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that COREY GILMORE, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

GILMORE’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of COREY GILMORE, the defendant:

a. From at least in or about July 2016 through at least in or about November 2019, GILMORE was employed as a superintendent at Bronx River Houses, a NYCHA development located in the Bronx, New York.

b. From at least in or about November 2019 through at least in or about March 2021, GILMORE was employed as an administrative housing superintendent with the Heating Management Services Department in the Bronx, New York.²

c. From at least in or about March 2021 through at least in or about July 2023, GILMORE was employed as a superintendent at Eastchester Gardens, a NYCHA development located in the Bronx, New York.

GILMORE’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-22”)³ who has

² The responsibilities of an administrative housing superintendent with the Heating Management Services Department include, among others, “[o]versee[ing] the inspection, maintenance/repair and quality assurance of all boilers and associated heating/hot water and steam distribution equipment citywide;” and “[p]lan[ning] and execut[ing] a program of scheduled inspection and major overhaul of equipment.”

³ The cooperating witnesses referenced in this Complaint are designated as “CW-22” and “CW-8” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

performed work at NYCHA's Bronx River Houses, Boston Road Plaza, and Eastchester Gardens, among other developments,⁴ I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-22 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-22 began performing no-bid purchase order work at Bronx River Houses in or about February 2018. CW-22 was awarded at least approximately 30 no-bid contracts at Bronx River Houses from in or about February 2018 through in or about September 2019, during the time in which COREY GILMORE, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-22 paid GILMORE approximately \$1,000 in cash for each of the approximately 17 no-bid contracts CW-22 received from GILMORE at Bronx River Houses.

c. When CW-22 first began performing no-bid contracts GILMORE had approved, GILMORE initially would not sign off on the completion of the contracts to allow CW-22 to receive payment. Eventually, GILMORE contacted CW-22 and told CW-22, in sum and substance, to come and see him, which CW-22 understood was a request for a bribe payment from CW-22. After CW-22 made payments to GILMORE, GILMORE then signed off on the completion of the contracts.

d. CW-22 began performing no-bid purchase order work at Boston Road Plaza on behalf of the Heating Management Services Department in or about January 2020. CW-22 was awarded at least approximately one no-bid contract at Boston Road Plaza in or about January 2020, during the time in which GILMORE served as an administrative housing superintendent for the Heating Management Services Department. During that time, CW-22 paid GILMORE approximately \$1,000 in cash for the no-bid contract CW-22 received from GILMORE at Boston Road Plaza.

e. CW-22 began performing no-bid purchase order work at Eastchester Houses in or about September 2021. CW-22 was awarded at least approximately eight no-bid contracts at Eastchester Houses from in or about September 2021 through in or about December 2022, during the time in which GILMORE served as a superintendent at that NYCHA facility. During that time, CW-22 paid GILMORE approximately \$1,000 in cash for each of the no-bid contracts CW-22 received from GILMORE at Eastchester Houses.

f. CW-22 understood, based on CW-22's interactions with GILMORE and with other NYCHA employees who similarly required payments for work, that if CW-22 did not make payments to GILMORE, CW-22 would not be awarded additional no-bid contracts for work at Bronx River Houses, Boston Road Plaza, and Eastchester Houses.

g. On or about June 26, 2023, CW-22 reviewed photobooks containing a photograph of GILMORE among photographs of dozens of other individuals. CW-22 correctly

⁴ CW-22 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

identified the photograph of GILMORE as “Corey Gilmore,” the heat administrator⁵ for the Bronx Borough and the superintendent at the Bronx River Houses and Eastchester Houses to whom CW-22 had made payments in exchange for no-bid contracts from NYCHA.

h. CW-22 has a contact saved in CW-22’s cellphone with the name “Corey Gilmore” and a particular phone number ending in -9950 (the “GILMORE Number”). Based on subscriber and NYCHA Human Resources records which I have reviewed, I have confirmed that the GILMORE Number is a personal phone number used by and subscribed to GILMORE.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-8”),⁶ who has performed work at NYCHA’s Bronx River Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-8 performed contracting work for NYCHA as an owner of a contracting company (the “CW-8 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-8 began performing no-bid purchase order work at Bronx River Houses in or about September 2016. The CW-8 Company was awarded at least approximately 18 no-bid contracts at Bronx River Houses from in or about September 2016 through in or about June 2019, during the time in which COREY GILMORE, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-8 paid GILMORE approximately \$1,000 in cash for one no-bid contract the CW-8 Company received at Bronx River Houses.

c. CW-8 understood, based on CW-8’s interactions with GILMORE and with other NYCHA employees who similarly required payments for work, that if CW-8 did not make that payment to GILMORE, CW-8 would not be paid for the work performed at Bronx River Houses. Specifically, GILMORE asked CW-8 to pay money after CW-8 had completed the no-bid contract but before CW-8 had been approved for payment for the contracted work.

d. On or about October 11, 2023, CW-8 reviewed photobooks containing a photograph of GILMORE among photographs of dozens of other individuals. CW-8 identified the photograph of GILMORE as “Corey” at Bronx River Houses, the NYCHA employee to whom CW-8 had made a payment in exchange for no-bid contracts from NYCHA.

⁵ As noted above, GILMORE served as an administrative housing superintendent with the Heating Management Services Department, in which role he oversaw the maintenance and repair of heating systems throughout the Bronx.

⁶ CW-8 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-8 has never worked at any of the contracting companies where CW-22 worked. Both CW-8 and CW-22 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-8 and CW-22 know each other.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of COREY GILMORE, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 417

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

NIRMAL LORICK,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2014 through at least in or about July 2023, in the Southern District of New York and elsewhere, NIRMAL LORICK, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2014 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, LORICK solicited and accepted a total of at least approximately \$153,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$1,335,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2014 through at least in or about July 2023, in the Southern District of New York and elsewhere, NIRMAL LORICK, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, LORICK, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due LORICK or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that NIRMAL LORICK, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2014 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

LORICK’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of NIRMAL LORICK, the defendant:

- a. From at least in or about September 2010 through at least in or about August 2020, LORICK was employed as an assistant superintendent at Bay View Houses, a NYCHA development located in Brooklyn, New York.
- b. From at least in or about August 2020 through the present, LORICK was employed as a superintendent at Baisley Park Houses, a NYCHA development located in Queens, New York.

LORICK’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Bay View Houses and Baisley Park Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-4” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

a. Since in or about 2013, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Bay View Houses in or about May 2013. CW-2 was awarded at least approximately 122 no-bid contracts at Bay View Houses from in or about May 2013 through in or about August 2020, during the time in which NIRMAL LORICK, the defendant, served as an assistant superintendent at that NYCHA facility. At LORICK's direction, CW-2 paid LORICK approximately 10% of the contract price in cash for at least approximately 54 of the no-bid contracts CW-2 received from LORICK at Bay View Houses between approximately 2014 and 2018. LORICK subsequently raised the amount that CW-2 was required to pay to receive contracting work, resulting in CW-2 paying LORICK approximately 20% of the contract price in cash for approximately 25 of the no-bid contracts CW-2 received at Bay View Houses between approximately 2019 and August 2020. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid LORICK approximately \$500 per contract from in or about 2014 through in or about 2018, and \$1,000 per contract from in or about 2019 through in or about August 2020.

c. In or about August 2020, LORICK was assigned to Baisley Park Houses and promoted to superintendent. CW-2 was awarded at least approximately 31 no-bid contracts at Baisley Park Houses from in or about September 2020 through in or about July 2023, during the time in which LORICK served as a superintendent at that NYCHA facility. At LORICK's direction, CW-2 paid LORICK approximately 20% of the contract price in cash for at least approximately 7 of the no-bid contracts CW-2 received from LORICK at Baisley Park Houses. These contracts were typically each worth up to approximately \$10,000, and CW-2 therefore paid LORICK up to approximately \$2,000 per contract.

d. CW-2 understood, based on CW-2's interactions with LORICK and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to LORICK, CW-2 would not be awarded additional no-bid contracts for work at the developments at which LORICK worked.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of LORICK among photographs of dozens of other individuals. CW-2 correctly identified the photograph of LORICK as "Nirmal Lorick" at Baisley Park Houses, the NYCHA employee to whom CW-2 had made payments at Bay View Houses and Baisley Park Houses in exchange for no-bid contracts from NYCHA.

f. CW-2 has a contact saved in CW-2's cellphone with the name "Delmoral Carmem" and a particular phone number ending in -0544 (the "0544 Number"). CW-2 recalled that the 0544 Number belongs to the individual CW-2 identified as "Nirmal Lorick" even though the 0544 Number was saved under the name "Delmoral Carmem." Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 0544 Number is a personal phone number associated with LORICK.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-4”),⁴ who has performed work at NYCHA’s Bay View Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2014, CW-4 performed contracting work for NYCHA as the owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-4 began performing no-bid purchase order work at Bay View Houses in or about December 2014. CW-4 was awarded at least approximately 186 no-bid contracts at Bay View Houses from in or about December 2014 through in or about July 2020, during the time in which NIRMAL LORICK, the defendant, served as an assistant superintendent at that NYCHA facility. At LORICK’s direction, CW-4 paid LORICK approximately \$500 in cash for approximately 174 of the no-bid contracts CW-4 received from LORICK at Bay View Houses from in or about 2015 through in or about August 2020, which were typically worth approximately \$5,000 each.

c. CW-4 understood, based on CW-4’s interactions with LORICK and with other NYCHA employees who similarly required payments for work, that if CW-4 did not make payments to LORICK, CW-4 would not be awarded additional no-bid contracts for work at Bay View Houses.

d. On or about October 13, 2023, CW-4 reviewed photobooks containing a photograph of LORICK among photographs of dozens of other individuals. CW-4 identified the photograph of LORICK as “Nirmal Lorick” at Bay View Houses, the NYCHA employee to whom CW-4 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-4 has provided a list of names and phone numbers for NYCHA employees to whom CW-4 paid money, including the name “Lorick Nirmal,” from “Bayview Houses Brooklyn,” along with the 0544 Number.

⁴ CW-4 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-4 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-4 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-4 know each other.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of NIRMAL LORICK, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)

DELCINE DOSCHER

Special Investigator

New York City Department of Investigation,

Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.



THE HONORABLE VALERIE FIGUEREDO

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 418

UNITED STATES OF AMERICA

v.

DENISE NEWBY-BOVIAN,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2017 through at least in or about August 2022, in the Southern District of New York and elsewhere, DENISE NEWBY-BOVIAN, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2017 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, NEWBY-BOVIAN solicited and accepted a total of at least approximately \$37,700 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$137,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2017 through at least in or about August 2022, in the Southern District of New York and elsewhere, DENISE NEWBY-BOVIAN, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, NEWBY-BOVIAN, under color of official right, obtained

money from NYCHA contractors, with their consent, that was not due NEWBY-BOVIAN or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that DENISE NEWBY-BOVIAN, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2017 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

NEWBY-BOVIAN’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of DENISE NEWBY-BOVIAN, the defendant:

a. From at least in or about August 2001 through at least in or about April 2019, NEWBY-BOVIAN was employed as an assistant superintendent at Taft Houses, a NYCHA development located in New York, New York.

b. From at least in or about April 2019 through at least in or about March 2023, NEWBY-BOVIAN was employed as a superintendent at Chelsea Addition-Elliot Houses (“Chelsea Houses”), a NYCHA development located in New York, New York.

NEWBY-BOVIAN’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-5” and “CW-7”)² who has performed work at NYCHA’s Chelsea Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5,” “CW-7,” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have worked together for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

a. Since at least in or about 2018, CW-5 and CW-7 performed contracting work for NYCHA with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-5 and CW-7 were awarded approximately seven no-bid contracts (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work) at Chelsea Houses from in or about April 2022 through in or about August 2022, during the time in which DENISE NEWBY-BOVIAN, the defendant, served as a superintendent at that NYCHA facility. CW-5 had been referred to NEWBY-BOVIAN by a superintendent at Saint Nicholas Houses (the “Saint Nicholas Superintendent”) to whom CW-5 also paid money in exchange for no-bid contracts.⁴ The Saint Nicholas Superintendent told CW-5, in substance and in part, that the Chelsea Houses superintendent was a friend of the Saint Nicholas Superintendent.⁵

c. NEWBY-BOVIAN subsequently called CW-5 and told CW-5, in substance and in part, that CW-5 needed to have the “same deal” with NEWBY-BOVIAN that CW-5 had with the Saint Nicholas Superintendent, which meant that CW-5 and CW-7 would have to pay 30% of the contract price to NEWBY-BOVIAN in exchange for no-bid purchase order contracts. From in or about April 2022 through in or about August 2022, CW-5 paid NEWBY-BOVIAN approximately 30% of the value of the contract for approximately every no-bid contract they were awarded by NEWBY-BOVIAN, including one contract worth approximately \$5,000, one contract worth approximately \$8,000, and five contracts each worth approximately \$10,000.⁶

d. CW-5 and CW-7 understood, based on their interactions with NEWBY-BOVIAN and with other NYCHA employees who similarly required payments for work, that if CW-5 and CW-7 did not make payments to NEWBY-BOVIAN, they would not be awarded additional no-bid contracts for work at Chelsea Houses.

e. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of NEWBY-BOVIAN among photographs of dozens of other individuals. CW-5 identified the photograph of NEWBY-BOVIAN as the superintendent at Chelsea Houses to whom CW-5 had made payments in exchange for no-bid contracts from NYCHA.⁷

⁴ The Saint Nicholas Superintendent is being charged simultaneously with bribery and extortion offenses related to his receipt of money for work.

⁵ CW-5 recalled that the Saint Nicholas Superintendent told CW-5 that the Saint Nicholas Superintendent used to work at Chelsea Houses. NYCHA Human Resources records do not reflect that the Saint Nicholas Superintendent worked at Chelsea Houses. However, they show that the Saint Nicholas Superintendent and NEWBY-BOVIAN worked together at Taft Houses, another NYCHA development, from in or about January 2015 through in or about June 2017.

⁶ Like CW-5, CW-7 recalled that CW-5 paid NEWBY-BOVIAN approximately \$3,000 for the contracts that were each worth approximately \$10,000, and approximately \$1,500 for the contracts that were each worth approximately \$5,000.

⁷ CW-5 did not remember NEWBY-BOVIAN’s name at the time that CW-5 identified the photograph of NEWBY-BOVIAN. In an earlier meeting with law enforcement on or about February 9, 2023, CW-5 stated that NEWBY-BOVIAN’s name might be something like “Nancy,” but CW-5 was not sure.

f. CW-7—who submitted the proposals for the work that CW-5 and CW-7 performed at Chelsea Houses—recalled that the name of the Chelsea Houses superintendent whom CW-5 paid in exchange for no-bid contracts awarded to CW-5 and CW-7 was “Denise N.” However, CW-7 never met NEWBY-BOVIAN; CW-5 was the person who handed the cash payments to NEWBY-BOVIAN.⁸ Nevertheless, CW-7 knew that CW-5 was paying NEWBY-BOVIAN in exchange for no-bid contracts at Chelsea Houses because CW-5 and CW-7 typically went together to a bank branch location to withdraw cash before going to Chelsea Houses, where CW-5 paid NEWBY-BOVIAN while CW-7 remained in the car.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”),⁹ who has performed work at NYCHA’s Taft Houses and Chelsea Houses, among other developments, I have learned the following, in substance and in part:

a. Since in or about 2016, CW-24 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Taft Houses in or about January 2016. CW-24 was awarded at least approximately 35 no-bid contracts at Taft Houses from in or about January 2016 through in or about March 2019, during the time in which DENISE NEWBY-BOVIAN, the defendant, served as an assistant superintendent at that NYCHA facility. From in or about January 2017 through in or about December 2018, CW-24 paid NEWBY-BOVIAN between approximately \$1,000 and \$1,500 per contract in cash for multiple no-bid contracts CW-24 received from NEWBY-BOVIAN at Taft Houses, which were typically each worth between approximately \$4,000 and \$5,000. CW-24 recalled that NEWBY-BOVIAN knew that the Saint Nicholas Superintendent—who was then the superintendent at Taft Houses—was requiring CW-24 to pay the Saint Nicholas Superintendent in exchange for contracting work. NEWBY-BOVIAN informed CW-24, in substance and in part, that she would also require CW-24 to pay her money in exchange for NEWBY-BOVIAN awarding no-bid contracts to CW-24.

c. In or about April 2019, NEWBY-BOVIAN was assigned to Chelsea Houses as superintendent. CW-24 began performing no-bid purchase order work at Chelsea Houses in or about April 2019. CW-24 was awarded at least approximately 14 no-bid contracts at Chelsea Houses from in or about April 2019 through in or about March 2020, during the time in which NEWBY-BOVIAN served as a superintendent at that NYCHA facility. During that time, CW-24

⁸ Indeed, on or about July 20, 2023, in a different meeting than the one with CW-5, CW-7 reviewed photobooks containing a photograph of NEWBY-BOVIAN, among photographs of dozens of other individuals, but did not identify the photograph of NEWBY-BOVIAN, nor did CW-7 identify any other photographs as appearing to be the individual CW-7 knew as “Denise N.”

⁹ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-24 has never worked at any of the contracting companies where CW-5 and CW-7 worked. CW-24 was interviewed separately from CW-5 and CW-7 and instructed by law enforcement not to discuss the substance of the interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-24 knows CW-5 or CW-7.

paid NEWBY-BOVIAN between approximately \$1,000 and \$1,500 per contract in cash for approximately all of the no-bid contracts CW-24 received from NEWBY-BOVIAN at Chelsea Houses, which were typically each worth approximately \$5,000.

d. CW-24 understood, based on CW-24's interactions with NEWBY-BOVIAN and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to NEWBY-BOVIAN, CW-24 would not be awarded additional no-bid contracts for work at the developments where NEWBY-BOVIAN worked.

e. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of NEWBY-BOVIAN among photographs of dozens of other individuals. CW-24 identified the photograph of NEWBY-BOVIAN as someone who looked like "Denise Newby" at Taft Houses and Chelsea Houses, the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

10. Based on my review of financial records for DENISE NEWBY-BOVIAN, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about January 2016 and in or about October 2023, NEWBY-BOVIAN made a large amount of cash deposits into two particular bank accounts ("Account-1" and "Account-2"). Specifically, she made approximately 266 cash deposits of \$100 or more, totaling over \$378,000.

b. NEWBY-BOVIAN's cash deposits into Account-1 include deposits during the time periods when CW-5, CW-7, and CW-24 paid her between approximately \$1,000 and \$1,500 per no-bid contract and include numerous deposits in multiples of \$100. Specifically, NEWBY-BOVIAN made at least approximately 14 deposits of exactly \$1,000; at least approximately four deposits of exactly \$1,200 or \$1,400; and at least approximately four deposits of exactly \$1,500. In addition, NEWBY-BOVIAN made at least approximately 17 deposits in multiples of \$100 that were greater than \$2,000.

c. From in or about June 2017 through in or about June 2022, nine other cash deposits in multiples of \$100 were made into two particular bank accounts belonging to NEWBY-BOVIAN and another individual ("Account-3") and a bank account belonging to NEWBY-BOVIAN and two other individuals ("Account-4"), totaling approximately \$4,300.


d. The cash deposits into Account-3 and Account-4 include deposits during the time periods when CW-5, CW-7, and CW-24 paid NEWBY-BOVIAN between approximately \$1,000 and \$1,500 per no-bid contract. For example, in or about June 2022, exactly \$1,000 was deposited into Account-2.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of DENISE NEWBY-BOVIAN, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)

DELICINE DOSCHER
Special Investigator
New York City Department of Investigation,
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.


THE HONORABLE VALERIE FIGUEREDO
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JOY HARRIS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24MAG419

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2015 through at least in or about March 2021, in the Southern District of New York and elsewhere, JOY HARRIS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, HARRIS solicited and accepted a total of at least approximately \$28,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$285,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2015 through at least in or about March 2021, in the Southern District of New York and elsewhere, JOY HARRIS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, HARRIS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due HARRIS or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JOY HARRIS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

HARRIS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JOY HARRIS, the defendant:

a. From at least in or about January 2015 through at least in or about July 2018, HARRIS was employed as an assistant superintendent at East River Houses, a NYCHA development located in New York, New York.

b. From at least in or about July 2018 through at least in or about November 2018, HARRIS was employed as a superintendent at Lehman Village, a NYCHA development located in New York, New York.

c. From at least in or about November 2018 through at least in or about July 2020, HARRIS was employed as a superintendent at Taft Houses, a NYCHA development located in New York, New York.

d. From at least in or about July 2020 through at least in or about August 2021, HARRIS was employed as a superintendent at Wald Houses, a NYCHA development located in New York, New York.

e. From at least in or about September 2021 through at least in or about August 2022, HARRIS was employed as a superintendent at Rutgers Houses, a NYCHA development located in New York, New York.

HARRIS'S SOLICITATION AND RECEIPT OF PAYMENTS²

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)³ who has performed work at NYCHA’s East River, Lehman Village, Taft, and Wald Houses, among other developments,⁴ I have learned the following, in substance and in part:

a. Since at least in or about 2013, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at East River Houses in or about 2013. CW-2 was awarded approximately 30 no-bid contracts at East River Houses from in or about May 2015 through in or about December 2017 (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work), during the time in which JOY HARRIS, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid HARRIS approximately 10% of the contract price in cash for nearly all of the no-bid contracts CW-2 received from HARRIS at East River Houses.⁵ Specifically, CW-2 completed a few contracts in or about 2015 before HARRIS told CW-2, in substance and in part, that “everybody pays me,” and therefore CW-2 had to pay HARRIS as well. From that point on, CW-2 paid HARRIS for approximately all the no-bid contracts awarded to CW-2 at East River Houses while HARRIS was employed there, which were typically each worth approximately \$5,000.⁶

² In or about February 2022, law enforcement agents with NYC DOI interviewed JOY HARRIS, the defendant. During that interview, HARRIS stated, in substance and in part, that she had never accepted payments from NYCHA contractors.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-28” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁵ NYCHA records include HARRIS’s name as the “deliver to person” and/or “requestor” in connection with approximately eleven of these contracts in 2016 and 2017; although other contracts that CW-2 completed during this time period do not have HARRIS listed as the “deliver to person” or “requestor,” I understand from discussions with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into NYCHA’s computerized system, and individuals other than the person listed as the “deliver to person” or “requestor” could have involvement in awarding or processing a particular no-bid contract.

⁶ CW-2 estimated paying HARRIS at East River Houses from 2015 to 2019, but HARRIS left East River Houses in or about July 2018.

c. CW-2 began performing no-bid purchase order work at Lehman Village in or about 2015. CW-2 was awarded approximately four no-bid contracts at Lehman Village from in or about August 2018 through in or about October 2018 (all of which are listed in NYCHA records as “closed”), during the time in which HARRIS served as a superintendent at that NYCHA facility. During that time, CW-2 paid HARRIS approximately \$500 each for at least one no-bid contract at Lehman Village, although CW-2 could not recall specifically how many.⁷

d. CW-2 began performing no-bid purchase order work at Taft Houses in or about 2018. CW-2 was awarded at least approximately 36 no-bid contracts at Taft Houses from in or about November 2018 through in or about June 2020 (all of which are listed in NYCHA records as “closed”), during the time in which HARRIS served as a superintendent at that NYCHA facility. During that time, CW-2 paid HARRIS approximately \$500 in cash per contract for all or nearly all of these no-bid contracts, which were each worth approximately \$5,000.

e. CW-2 began performing no-bid purchase order work at Wald Houses in or about 2017. CW-2 was awarded at least approximately four no-bid contracts at Wald Houses from in or about September 2020 through in or about March 2021 (all of which are listed in NYCHA records as “closed”), during the time in which HARRIS served as a superintendent at that NYCHA facility. During that time, CW-2 paid HARRIS approximately 10% of the contract price in cash for approximately two of the no-bid contracts CW-2 received from HARRIS at Wald Houses in or about 2021. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid HARRIS approximately \$500 per contract.

f. CW-2 understood, based on CW-2’s interactions with HARRIS and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to HARRIS, CW-2 would not be awarded additional no-bid contracts for work at the developments at which she worked.

g. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of HARRIS among photographs of dozens of other individuals. CW-2 identified the photograph of HARRIS as “Joy Harris” from East River, Taft, and Wald Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-28”),⁸ who has performed work at NYCHA’s Taft Houses, among other developments, I have learned the following, in substance and in part:

⁷ CW-2 estimated during an interview that CW-2 had paid HARRIS for a few contracts in 2018, but later testified that CW-2 had only paid HARRIS for one contract at Lehman Village.

⁸ CW-28 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-28 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-28 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-28 know each other.

a. From at least in or about 2017 through in or about 2022, CW-28 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-28 performed no-bid purchase order work at Taft Houses during the time in which JOY HARRIS, the defendant, served as a superintendent at that NYCHA facility. CW-28 paid HARRIS for approximately two no-bid contracts in or about 2020. Specifically, in or about March 2020, CW-28 was awarded and completed an approximately \$4,500 contract. After CW-28 completed the work, HARRIS refused to approve the statement of services and told CW-28, in substance and in part, that HARRIS “needed something” and rubbed her thumb against her fingers to indicate money. On or about the next day, CW-28 paid HARRIS approximately \$300 in the basement, and HARRIS later approved the completed work. NYCHA records list HARRIS as the “receiver” for the contract.

c. In or about June 2020, CW-28 fulfilled another no-bid contract at Taft Houses. After completing the work, CW-28 went to see HARRIS, who told CW-28, in substance and in part, “You know what the deal is.” CW-28 paid HARRIS approximately \$150 for the no-bid contract.⁹

d. CW-28 understood, based on his interactions with HARRIS, that if CW-28 did not make payments to HARRIS, HARRIS would not approve the work CW-28 had completed at Taft Houses.¹⁰

⁹ CW-28, who performed contract work for NYCHA only periodically between 2017 and 2022, reported that HARRIS was the only NYCHA employee who asked CW-28 for money or whom CW-28 paid. Two other witnesses interviewed as part of this investigation have mentioned an individual with the same name as CW-28 as someone who told those witnesses about paying certain other superintendents. I do not presently know whether CW-28 is the person to whom the other witnesses referred or whether it is someone else with the same name.

¹⁰ On or about November 30, 2023, CW-28 reviewed photobooks containing a photograph of HARRIS among photographs of dozens of other individuals, but did not identify the photograph of HARRIS, nor did CW-28 identify any other photographs as appearing to be the individual CW-28 knew as “Joy Harris.”

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JOY HARRIS, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NETBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 420

UNITED STATES OF AMERICA

v.

EVELYN ORTIZ,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2017 through at least in or about July 2022, in the Southern District of New York and elsewhere, EVELYN ORTIZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2017 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, ORTIZ solicited and accepted a total of at least approximately \$4,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$40,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2017 through at least in or about July 2022, in the Southern District of New York and elsewhere, EVELYN ORTIZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, ORTIZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due ORTIZ or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that EVELYN ORTIZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2017 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

EVELYN ORTIZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of EVELYN ORTIZ, the defendant:

a. From at least on or about January 23, 2017, through at least on or about January 6, 2019, ORTIZ was employed as an assistant superintendent at Washington Houses, a NYCHA development located in New York, New York.

b. From at least on or about January 7, 2019, through at least on or about October 2, 2022, ORTIZ was employed as a superintendent at Johnson Houses, a NYCHA development located in New York, New York.

EVELYN ORTIZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-1”)² who has

² This Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

performed work at NYCHA's Johnson Houses, among other developments,³ and my review of phone records, I have learned the following, in substance and in part:

a. Since at least 2019, CW-1 performed contracting work for NYCHA as an operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 began performing no-bid purchase order work at Johnson Houses in or about April 2019. CW-1 was awarded at least approximately 12 no-bid contracts and one blanket contract at Johnson Houses from in or about April 2019 through in or about July 2022, during the time in which EVELYN ORTIZ, the defendant, served as a superintendent at that NYCHA facility. CW-1 did not pay ORTIZ for the initial contracts that CW-1 received from ORTIZ. However, after those initial contracts, ORTIZ told CW-1 that CW-1 needed to pay her 10% of the contract price of the no-bid contracts that she awarded CW-1. After ORTIZ made this demand, CW-1 paid ORTIZ approximately 10% of the contract price in cash for at least approximately eight no-bid contracts CW-1 received from ORTIZ at Johnson Houses. The contracts were typically each worth approximately \$5,000 and therefore CW-1 generally paid ORTIZ approximately \$500 in cash per no-bid contract. ORTIZ stopped awarding CW-1 work after she requested that CW-1 pay her 20% of the contract price of the no-bid contracts that she awarded CW-1 and CW-1 refused to do so.

c. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of ORTIZ among photographs of dozens of other individuals. CW-1 correctly identified the photograph of ORTIZ as "Evelyn Ortiz" at Johnson Houses, the NYCHA employee to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.

d. CW-1 has a contact saved in CW-1's cellphone with the name "Super Evelin Johnson Houses" and a particular phone number ending in -8429 (the "ORTIZ Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the ORTIZ Number is a personal phone number used by ORTIZ.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness ("CW-2"),⁴ who has performed work at NYCHA's Johnson Houses and Washington Houses, among other

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

⁴ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied. CW-2 has never worked at any of the contracting companies where CW-1 worked. It appears CW-1 and CW-2 know each other as competitors in the contracting business, but CW-1 has stated that CW-1 and CW-2 have never discussed paying NYCHA employees. Both CW-1 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation.

developments, and my review of records provided by CW-2, I have learned the following, in substance and in part:

a. Since at least in or about 2014, CW-2 performed contracting work for NYCHA with several contracting companies (the “CW-2 Companies”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. The CW-2 Companies began performing no-bid purchase order work at Washington Houses in or about 2014. The CW-2 Companies were awarded at least approximately 100 no-bid contracts at Washington Houses from in or about January 2017⁵ through in or about January 2019, during the time in which EVELYN ORTIZ, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid either ORTIZ or another assistant superintendent for many of the no-bid contracts that CW-2 received at Washington Houses. CW-2 would generally pay at least approximately \$500 in cash to either ORTIZ or the other assistant superintendent at Washington Houses.

c. The CW-2 Companies began performing no-bid purchase order work at Johnson Houses in or about 2014. The CW-2 Companies were awarded at least approximately 46 no-bid contracts at Johnson Houses from in or about January 2019 through in or about July 2022, during the time in which ORTIZ served as a superintendent at that NYCHA facility. During that time, CW-2 paid ORTIZ between approximately \$500 and approximately \$1,500 for many of the no-bid contracts CW-2 received from ORTIZ at Johnson Houses.

d. CW-2 understood, based on CW-2’s interactions with ORTIZ and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to ORTIZ, CW-2 would not be paid for work CW-2 had completed or would not receive future NYCHA contracting work.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of ORTIZ among photographs of dozens of other individuals. CW-2 correctly identified the photograph of ORTIZ as “Evelyn Ortiz” at Johnson Houses and Washington Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.⁶

f. CW-2 has a contact saved in CW-2’s cellphone with the name “Ortiz Evelyn Super” and the ORTIZ Number.

10. Based on my review of financial records for EVELYN ORTIZ, the defendant, and a financial analysis of such records, I have learned the following:

⁵ CW-2 remembered ORTIZ starting at Washington Houses in or about 2018, although was not sure.

⁶ The transcript of CW-2’s grand jury testimony reflects that, during grand jury, CW-2 identified the person in this photograph as “Ortiz Alvin” and “Ortiz Eleven,” although that appears to be a result of the stenographer’s misunderstanding of CW-2’s accented speech.

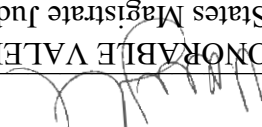
a. Between in or about February 2017 and in or about October 2022, ORTIZ made approximately 13 cash deposits totaling approximately \$24,800 into a particular bank account (“Account-1”).

b. ORTIZ’s cash deposits into Account-1 include deposits during the time period when CW-1 and CW-2 paid her approximately \$500 and \$1,000 per no-bid contract. For example, on February 14, 2022, April 15, 2022, May 11, 2022, and May 31, 2022, cash in the amounts of \$1,000, \$1,000, \$3,000, and \$2,000, respectively, were deposited into Account-1.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of EVELYN ORTIZ, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)
DELGINE DOSCHER
 Special Investigator
 New York City Department of Investigation
 Office of the Inspector General for NYCHA

Sworn to me through the transmission of this Complaint by reliable electronic means this 31 day of January, 2024.

THE HONORABLE VALERIE FIGUEROA

 United States Magistrate Judge
 Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 421

UNITED STATES OF AMERICA

v.

CLARENCE SAMUEL,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2016 through at least in or about September 2022, in the Southern District of New York and elsewhere, CLARENCE SAMUEL, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2016 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, SAMUEL solicited and accepted a total of at least approximately \$56,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$250,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2016 through at least in or about September 2022, in the Southern District of New York and elsewhere, CLARENCE SAMUEL, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, SAMUEL, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due SAMUEL or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that CLARENCE SAMUEL, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

SAMUEL’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CLARENCE SAMUEL, the defendant:

a. From at least in or about January 2015 through at least in or about November 2018, SAMUEL was employed as a superintendent at Taft Houses, a NYCHA development located in New York, New York.

b. From at least in or about November 2018 through at least in or about August 2021, SAMUEL was employed as a superintendent at Saint Nicholas Houses, a NYCHA development located in New York, New York.

c. From at least in or about August 2021 through at least in or about August 2023, SAMUEL was employed as a superintendent at Gompers Consolidation (“Gompers”), a NYCHA development located in New York, New York.

SAMUEL’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Saint Nicholas Houses and Gompers, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5,” “CW-7,” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have worked together for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were

a. Since at least in or about 2019, CW-5 and CW-7 performed contracting work for NYCHA as partners with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-5 and CW-7 were awarded about three approximately \$10,000 no-bid contracts (two of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work) at Saint Nicholas Houses from in or about June 2021 through in or about July 2021, during the time in which CLARENCE SAMUEL, the defendant, served as a superintendent at that NYCHA facility. CW-5 had been referred to SAMUEL by a superintendent at the Cypress Hills development (the “Cypress Hills Superintendent”) whom CW-5 understood to be SAMUEL’s wife and to whom CW-5 also paid money in exchange for no-bid contracts.⁴ The Cypress Hills Superintendent told CW-5, in substance and in part, to “take care of Sammy” in the same way CW-5 “took care of” the Cypress Hills Superintendent, which CW-5 understood referred to paying SAMUEL for no-bid contracts.

c. CW-5 visited SAMUEL at Saint Nicholas Houses and paid SAMUEL approximately \$3,000 in advance for a particular contract worth approximately \$10,000, but SAMUEL awarded that contract to a different contractor. SAMUEL then awarded a different no-bid contract to CW-5, and CW-5 did not pay SAMUEL because CW-5 had already paid SAMUEL for the prior contract. After this, CW-5 and CW-7 paid SAMUEL approximately \$3,000 cash for each approximately \$10,000 no-bid contract they were awarded by SAMUEL.⁵

d. CW-5 and CW-7 were also awarded and completed approximately six approximately \$10,000 no-bid contracts (all of which are listed in NYCHA records as “closed”) at Gompers from in or about November 2021 through in or about September 2022, during the time in which SAMUEL served as a superintendent at that NYCHA facility. As at Saint Nicholas Houses, CW-5 paid SAMUEL approximately 30% of approximately all of the no-bid contracts at Gompers.

e. CW-5 and CW-7 understood, based on their interactions with SAMUEL and with other NYCHA employees who similarly required payments for work, that if CW-5 and CW-7 did not make payments to SAMUEL, they would not be awarded additional no-bid contracts for work at the developments at which SAMUEL worked.

f. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of SAMUEL among photographs of dozens of other individuals. CW-5 identified the photograph of SAMUEL as “Sammy,” the husband of the Cypress Hills Superintendent, whom CW-5 had described making payments to in exchange for no-bid contracts from NYCHA at Saint

instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

⁴ The Cypress Hills Superintendent is being charged simultaneously with bribery and extortion offenses related to her receipt of money for work. It appears that the Cypress Hills Superintendent and SAMUEL may have a personal relationship but are not actually married.

⁵ CW-5 was the individual who typically gave the payment to NYCHA employees like SAMUEL, but CW-5 and CW-7 typically went to the bank together to obtain the money and discussed the payments they needed to make to certain NYCHA employees.

Nicholas Houses and Gompers.⁶ In subsequent meetings, CW-5 recalled the individual's name as "Sammy Clarence."

g. CW-5 has a contact saved in CW-5's cellphone with the name "Clarence" and a particular phone number ending in -7877 (the "7877 Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the Clarence Number is the personal cellphone number listed for SAMUEL.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-24"),⁷ who has performed work at NYCHA's Taft and Saint Nicholas Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-24 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Taft Houses in or about 2016. CW-24 was awarded approximately 32 no-bid contracts at Taft Houses from in or about January 2016 through in or about October 2018 (which are listed in NYCHA records as "closed"), during the time in which CLARENCE SAMUEL, the defendant, served as a superintendent in that NYCHA facility. From in or about 2016 through in or about 2017, CW-24 paid SAMUEL approximately \$500 per contract for approximately ten to twelve no-bid contracts.

c. CW-24 began performing no-bid purchase order work at Saint Nicholas Houses in or about 2019. CW-24 was awarded approximately 25 no-bid contracts at Saint Nicholas Houses from in or about January 2019 through in or about June 2020 (all of which are listed in NYCHA records as "closed," and all of which list SAMUEL as the "receiver" for the contracts), during the time in which SAMUEL served as a superintendent in that NYCHA facility.

⁶ While reviewing photographs on or about July 20, 2023, CW-5 also identified a photograph of another individual—*i.e.*, not SAMUEL—as the same person who was the husband of the Cypress Hills Superintendent. This individual looks somewhat similar to SAMUEL and was previously a supervisor of caretakers at Saint Nicholas Houses from in or about August 2017 through in or about July 2018, but did not work at Saint Nicholas Houses at the time SAMUEL did or at the time CW-5 received no-bid contracts at that development.

On or about July 20, 2023 (in a different meeting than the one with CW-5), CW-7 reviewed photobooks containing a photograph of SAMUEL among photographs of dozens of other individuals, but did not identify the photograph of SAMUEL, nor did CW-7 identify any other photographs as appearing to be the individual CW-7 knew as "Clarence Samuel" or "Samuel Clarence."

⁷ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-24 has never worked at any of the contracting companies where CW-5 and CW-7 worked. CW-24 was interviewed separately from CW-5 and CW-7 and instructed by law enforcement not to discuss the substance of the interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-24 knows CW-5 or CW-7.

CW-24 paid SAMUEL approximately \$1,000 to \$1,500 per contract for approximately all of the no-bid contracts that CW-24 was awarded at Saint Nicholas Houses, which were typically each worth approximately \$5,000.

d. CW-24 understood, based on his interactions with SAMUEL and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to SAMUEL, CW-24 would not be awarded additional no-bid contracts for work at the developments at which SAMUEL worked.

e. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of SAMUEL among photographs of dozens of other individuals. CW-24 identified the photograph of SAMUEL as “Clarence,” whom he had previously described as the NYCHA employee from Taft and Saint Nicholas Houses to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

10. Based on my review of financial records for CLARENCE SAMUEL, the defendant, and a financial analysis of such records, I have learned the following:

a. From in or about January 2016 through in or about January 2023, SAMUEL made a large amount of cash deposits into a particular bank account (“Account-1”). Specifically, he made approximately 350 cash deposits of \$100 or more, totaling over \$280,000.

b. SAMUEL’s cash deposits into Account-1 include deposits during the time period when CW-5, CW-7, and CW-24 paid him approximately \$500, \$1,000, and \$1,500 for no-bid contracts, and include numerous deposits in those specific amounts. For example, SAMUEL made approximately 66 deposits of exactly \$500; approximately 47 deposits of exactly \$1,000; and approximately 19 deposits of exactly \$1,500.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of CLARENCE SAMUEL, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)

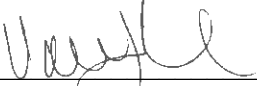
DELICINE DOSCHER

Special Investigator

New York City Department of Investigation

Office of the Inspector General for NYCHA

Sworn to me through the transmission of this Complaint by reliable electronic means this 31 day of January, 2024.


THE HONORABLE VALERIE FIGUEREDO
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

VERONICA HOLLMAN,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24MAG422

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about May 2018 through at least in or about July 2022, in the Southern District of New York and elsewhere, VERONICA HOLLMAN, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, HOLLMAN solicited and accepted a total of at least approximately \$80,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$400,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about May 2018 through at least in or about July 2022, in the Southern District of New York and elsewhere, VERONICA HOLLMAN, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, HOLLMAN, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due HOLLMAN or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that VERONICA HOLLMAN, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

HOLLMAN’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of VERONICA HOLLMAN, the defendant:

a. From at least in or about May 2017 through at least in or about July 2022, HOLLMAN was employed as a superintendent at Pink Houses, a NYCHA development located in Brooklyn, New York.

HOLLMAN’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)² who has performed work at NYCHA’s Pink Houses, among other developments,³ I have learned the following, in substance and in part:

² This Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2018, CW-1 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. In or about 2018, CW-1 was awarded a blanket contract by NYCHA to perform certain work at Brooklyn developments. As part of the blanket contract, in or about 2019, VERONICA HOLLMAN, the defendant, assigned CW-1 particular jobs to complete at Pink Houses worth a total of approximately \$20,000. After CW-1 completed the work, CW-1 met with HOLLMAN and asked her to sign the statement of services so CW-1 could receive payment from NYCHA for the work. HOLLMAN demanded CW-1 pay her approximately 20% of the contract price. CW-1 told HOLLMAN that CW-1 could not pay her that amount, and instead paid HOLLMAN approximately \$1,500 to \$2,000 in cash.⁴ HOLLMAN told CW-1, in substance and in part, that another contractor was paying her 25% in exchange for work at Pink Houses. Although CW-1 had already ordered materials for additional work at Pink Houses pursuant to the blanket contract, HOLLMAN did not authorize CW-1 to complete the additional work.

c. CW-1 understood, based on CW-1's interactions with HOLLMAN and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to HOLLMAN, CW-1 would not be awarded additional contracts for work at Pink Houses or would not be paid for work CW-1 had already completed.

d. CW-1 has a contact saved in CW-1's cellphone with the name "Super Pink Houses Lady" and a particular phone number ending in -3924 (the "3924 Number"). Based on subscriber records which I have reviewed, I have confirmed that the 3924 Number is a personal phone number subscribed to by HOLLMAN.⁵

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-2"),⁶ who has

⁴ In other proffer interviews, CW-1 estimated that HOLLMAN had first asked CW-1 for 25% of the contract, or \$4,000 to \$5,000, and later agreed to accept 15% instead.

⁵ On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of HOLLMAN among photographs of dozens of other individuals, but did not identify the photograph of HOLLMAN, nor did CW-1 identify any other photographs as appearing to be the individual CW-1 knew as "Veronica Hollman."

⁶ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied. CW-2 has never worked at any of the contracting companies where CW-1 worked. It appears CW-1 and CW-2 know each other as competitors in the contracting business, but CW-1 has stated that CW-1 and CW-2 have never discussed paying NYCHA employees. Both CW-1 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation.

performed work at NYCHA's Pink Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Pink Houses in or about 2016. When VERONICA HOLLMAN, the defendant, began working at Pink Houses as a superintendent in or about May 2017, there was a particular manager there (the "Pink Houses Manager") who did not ask CW-2 for money, and CW-2 did not pay anyone for no-bid contracts received during that time. After the Pink Houses Manager left in or about April 2018,⁷ HOLLMAN began asking CW-2 for payment for the no-bid contracts. After that point, CW-2 paid HOLLMAN approximately 20% of the contract price in cash for approximately all of the no-bid contracts awarded to CW-2 through in or about July 2022.⁸ CW-2 was awarded approximately 78 no-bid contracts at Pink Houses from in or about May 2018 through in or about July 2022 (all of which are listed in NYCHA records as "closed," indicating a NYCHA employee approved the completed work). Most of the contracts were each worth approximately \$5,000, and approximately five were each worth approximately \$10,000.⁹

c. CW-2 understood, based on CW-2's interactions with HOLLMAN and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to HOLLMAN, HOLLMAN would not award CW-2 additional no-bid contracts for work at Pink Houses.

d. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of HOLLMAN among photographs of dozens of other individuals. CW-2 identified the photograph of HOLLMAN as "Veronica Hollman" at Pink Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-2 has a contact saved in CW-2's cellphone with the name "Hollman, Veronic Super" and the 3924 Number.

10. Based on my review of financial records for VERONICA HOLLMAN, the defendant, and a financial analysis of such records, I have learned the following:

a. From at least in or about 2018 through in or about 2021, HOLLMAN made approximately 17 cash deposits – of several hundred or thousands of dollars at a time – totaling approximately \$20,000 into two particular bank accounts (the "Hollman Accounts").

⁷ CW-2 estimated the payments to HOLLMAN began in approximately 2018 or 2019 but was not sure of the timing. Based on NYCHA records I have reviewed, I am aware that the Pink Houses Manager stopped working at Pink Houses on or about April 15, 2018.

⁸ CW-2 estimated paying HOLLMAN through October 2022, although she left Pink Houses in or about July 2022.

⁹ CW-2 testified that CW-2 had paid HOLLMAN between approximately \$500 and \$1,000 for each contract.

HOLLMAN's cash deposits into the Hollman Accounts include deposits during the time period when CW-2 paid her approximately 20% per no-bid contract. For example:

- i. On or about June 19, 2018, CW-2 was awarded an approximately \$4,500 no-bid contract at Pink Houses. On or about June 21, 2018, approximately \$700 cash was deposited into the Hollman Accounts.
- ii. On or about July 3, 2018, CW-2 was awarded two no-bid contracts at Pink Houses each worth approximately \$5,000. On or about July 5, 2018, approximately \$2,000 cash was deposited into the Hollman Accounts.
- iii. On or about March 27, 2019, and April 2, 2019, CW-2 was awarded a total of three no-bid contracts at Pink Houses each worth approximately \$5,000. On or about April 2, 2019, a total of approximately \$4,000 cash was deposited into the Hollman Accounts in two separate transactions.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of VERONICA HOLLMAN, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s authorized electronic signature

DELICINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 31st day of January, 2024.



THE HONORABLE SARAH NIFTBURN
Chief United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

ALEX TOLOZANO,

Defendant.

24 MAG 423

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2016 through at least in or about October 2019, in the Southern District of New York and elsewhere, ALEX TOLOZANO, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2016 through 2019, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, TOLOZANO solicited and accepted a total of at least approximately \$41,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$205,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2016 through at least in or about October 2019, in the Southern District of New York and elsewhere, ALEX TOLOZANO, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, TOLOZANO, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due TOLOZANO or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that ALEX TOLOZANO, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2019, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

ALEX TOLOZANO’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ALEX TOLOZANO, the defendant:

a. From at least on or about January 1, 2015, through at least on or about November 3, 2019, TOLOZANO was employed as a superintendent at Webster Houses, a NYCHA development located in Bronx, New York.

ALEX TOLOZANO’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-8”)² who has performed work at NYCHA’s Webster Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least 2018, CW-8 performed contracting work for NYCHA as an owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-8 began performing no-bid purchase order work at Webster Houses in or about June 2018. CW-8 was awarded at least approximately 56 no-bid contracts at Webster Houses from in or about June 2018 through in or about October 2019, during the time in which ALEX TOLOZANO, the defendant, served as a superintendent at that NYCHA facility. During

² The cooperating witnesses referenced in this Complaint are designated as “CW-8,” “CW-9,” and “CW-20” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-8 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

that time, CW-8 paid TOLOZANO approximately \$1,000 in cash per contract for nearly all of the no-bid contracts CW-8 received from TOLOZANO at Webster Houses.⁴

c. CW-8 understood, based on CW-8's interactions with TOLOZANO and with other NYCHA employees who similarly required payments for work, that if CW-8 did not make payments to TOLOZANO, CW-8 would not be paid for work CW-8 had completed or would not receive future NYCHA contracting work.

d. On or about October 11, 2023, CW-8 reviewed photobooks containing a photograph of TOLOZANO among photographs of dozens of other individuals. CW-8 identified the photograph of TOLOZANO as "Alex" at Webster Houses, the NYCHA employee to whom CW-8 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-9"),⁵ who has performed work at NYCHA's Webster Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least 2016, CW-9 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-9 performed no-bid purchase order work at Webster Houses from in or about January 2016 through in or about June 2018. During this time period, CW-9 was awarded at least approximately five no-bid contracts at Webster Houses.

c. While working at Webster Houses, CW-9 paid a NYCHA employee whom CW-9 identified, in substance and in part, as "Alex," the superintendent at Webster Houses. CW-9 paid "Alex" approximately \$1,000 in cash for at least one of the no-bid contracts CW-9 received from "Alex" at Webster Houses.

d. For the reasons explained below, I believe that the person whom CW-9 identified as "Alex" and paid at Webster Houses is ALEX TOLOZANO, the defendant:

i. During the time that CW-9 performed no-bid purchase order work at Webster Houses, TOLOZANO was the superintendent at that NYCHA facility. During that time period, no other person with the name Alex or with a name similar to Alex worked at Webster

⁴ Initially, CW-8 told law enforcement that CW-8 believed CW-8 had paid TOLOZANO approximately one or two times. However, CW-8 later stated, during the same interview with law enforcement, that CW-8 actually paid TOLOZANO for nearly all of the contracts that CW-8 received from TOLOZANO at Webster Houses.

⁵ CW-9 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. Based on a review of documents generated during a background check conducted by NYCHA in or about 2020, it appears that CW-9 may have provided inaccurate information regarding the ownership and operation of, and affiliation between, certain contracting companies with which CW-9 performed contracting work for NYCHA.

Houses as either a superintendent, assistant superintendent, or housing manager. NYCHA records include TOLOZANO's name in connection with at least one of the no-bid purchase order contracts that CW-9 was awarded at Webster Houses and that job was "closed" (which indicates a NYCHA employee approved the completed work). No other person with the name "Alex" is listed on any of the no-bid purchase order contracts that CW-9 was awarded at Webster Houses.

ii. NYCHA records also show that TOLOZANO's identification badge nearly always "punched in" at Webster Houses between at least in or about January 2016 and in or about June 2018, including on dates that CW-9 was awarded no-bid contracts at that development.

e. CW-9 understood, based on CW-9's interactions with TOLOZANO and with other NYCHA employees who similarly required payments for work, that if CW-9 did not make payments to TOLOZANO, CW-9 would not be paid for work CW-9 had completed or would not receive future NYCHA contracting work.

f. On or about May 26, 2023, CW-9 reviewed photobooks containing a photograph of TOLOZANO among photographs of dozens of other individuals, but did not identify the photograph of TOLOZANO, nor did CW-9 identify any other photographs as appearing to be the individual CW-9 knew as "Alex."⁶

10. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-20"),⁷ I have learned the following, in substance and in part:

a. Since at least 2017, CW-20 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-20 began performing no-bid purchase order work at Webster Houses in or about March 2017. CW-20 was awarded at least approximately two no-bid contracts at Webster Houses in or about March 2017 and April 2017, during the time in which ALEX TOLOZANO, the defendant, served as a superintendent at that NYCHA facility. After CW-20

⁶ In the grand jury, CW-9 testified, in substance and in part, that it had been a long time since CW-9 had seen "Alex" in person.

⁷ CW-20 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. Based on a review of documents generated during a separate investigation conducted by NYC DOI in or about 2021, it appears that CW-20 may have provided inaccurate information regarding the ownership and operation of, and affiliation between, certain contracting companies with which CW-20 performed contracting work for NYCHA. Additionally, those records suggest that CW-20 may have underreported the income CW-20 received from NYHCA to the Internal Revenue Service for certain tax years. CW-8, CW-9, and CW-20 have never worked at any of the same contracting companies as one another. CW-8, CW-9, and CW-20 were all interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-8, CW-9, and CW-20 know each other.

finished work related to these two no-bid contracts at Webster Houses, TOLOZANO told CW-20, in substance and in part, that if CW-20 gave TOLOZANO money, TOLOZANO would give CW-20 more work. CW-20 did not pay TOLOZANO, and TOLOZANO did not award CW-20 any other no-bid contracts at Webster Houses.

c. On or about November 27, 2023, CW-20 reviewed photobooks containing a photograph of TOLOZANO among photographs of dozens of other individuals. CW-20 identified the photograph of TOLOZANO as “Alex Tolozano” at Webster Houses, the NYCHA employee who asked CW-20 to make payments in exchange for no-bid contracts from NYCHA.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ALEX TOLOZANO, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)

DELCINE DOSCHER
Special Investigator
New York City Department of Investigation
Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.



THE HONORABLE VALERIE FIGUEREDO
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 424

UNITED STATES OF AMERICA

v.

LUIS TORRES,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”), New York City Housing Authority – Office of the Inspector General (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2019 through at least in or about July 2022, in the Southern District of New York and elsewhere, LUIS TORRES, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019, 2020, 2021, and 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, TORRES solicited and accepted a total of at least approximately \$11,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$139,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2019 through at least in or about July 2022, in the Southern District of New York and elsewhere, LUIS TORRES, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, TORRES, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due TORRES or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI, NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of the Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of the Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that LUIS TORRES, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

LUIS TORRES’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of LUIS TORRES, the defendant:

a. From at least on or about August 21, 2017, through at least on or about February 21, 2022, TORRES was employed as an assistant superintendent at Soundview Houses, a NYCHA development located in the Bronx, New York.

b. From at least on or about February 22, 2022, through the present, TORRES has been employed as a superintendent at Soundview Houses, a NYCHA development located in the Bronx, New York.

LUIS TORRES’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-23”)² who has performed work at NYCHA’s Soundview Houses, among other developments,³ and my review of records provided by CW-23, I have learned the following, in substance and in part:

a. Since in or about 2019, CW-23 performed contracting work for NYCHA as an owner, operator, and/or employee of contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-23 began performing no-bid purchase order work at Soundview Houses in or about January 2019. CW-23 was awarded at least approximately 30 no-bid contracts at Soundview Houses from in or about January 2019 through in or about April 2022, during the

² The cooperating witnesses referenced in this Complaint are designated as “CW-23” and “CW-16” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-23 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during an additional interview pursuant to an agreement to extend the same immunity protections to the interview.

time in which LUIS TORRES, the defendant, served as either assistant superintendent or superintendent at that NYCHA facility.

c. For the first contract, TORRES told CW-23, in substance and in part, to “take care of” TORRES and that TORRES would award CW-23 contracts if CW-23 did so. After CW-23 only gave TORRES a small amount of money for that first contract, TORRES told CW-23, in substance and in part, that CW-23 did not pay him enough and that other contractors were paying more. In response, CW-23 gave TORRES cash payments equal to approximately 8% to 10% of the contract price for all or nearly all of the no-bid contracts CW-23 received from TORRES at Soundview Houses after that first contract. The contracts were each worth between approximately \$2,000 and \$10,000.

d. CW-23 understood, based on CW-23’s interactions with TORRES and with other NYCHA employees who similarly required payments for work, that if CW-23 did not make payments to TORRES, CW-23 would not be paid for work CW-23 had completed or would not receive future NYCHA contracting work.

e. On or about December 1, 2023, CW-23 reviewed photobooks containing a photograph of TORRES, among photographs of dozens of other individuals. CW-23 correctly identified the photograph of TORRES as “Luis Torres” at Soundview Houses, the NYCHA employee to whom CW-23 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-23 has a contact saved in CW-23’s cellphone with the name “Luic [*sic*] Torres” and a particular phone number ending in -4588 (the “TORRES Number”). Based on subscriber records which I have reviewed, I have confirmed that the TORRES Number is a personal phone number subscribed to TORRES.

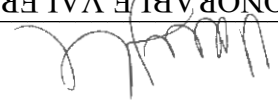
9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-16”),⁴ who has performed work at NYCHA’s Soundview Houses, among other developments, and my review of records provided by CW-16, I have learned the following, in substance and in part:

a. Since at least 2020, CW-16 performed contracting work for NYCHA as an owner, operator, and/or employee of contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-16 began performing no-bid purchase order work at Soundview Houses in or about August 2020. CW-16 was awarded at least approximately 10 no-bid contracts at Soundview Houses from in or about August 2020 through in or about July 2022, during the time in which LUIS TORRES, the defendant, served as either assistant superintendent or superintendent at that NYCHA facility. CW-16 was introduced to TORRES by an acquaintance of CW-16

⁴ CW-16 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-16 has never worked at any of the contracting companies where CW-23 worked. Both CW-16 and CW-23 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-16 and CW-23 know each other.

THE HONORABLE VALERIE FIGUEREDO
United States Magistrate Judge
Southern District of New York



Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.

Delcine Doscher (by VF with permission)
DELICINE DOSCHER
Special Investigator
New York City Department of Investigation,
NYCHA Office of the Inspector General

WHEREFORE, I respectfully request that a warrant be issued for the arrest of LUIS TORRES, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

c. CW-16 has a contact saved in CW-16's cellphone with the name "Luis Torres Sound View" and the TORRES Number.

d. On or about December 18, 2023, CW-16 reviewed photobooks containing a photograph of TORRES among photographs of dozens of other individuals. CW-16 correctly identified the photograph of TORRES as "Luis Torres" at Soundview Houses, the NYCHA employee to whom CW-16 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-16 understood, based on CW-16's interactions with TORRES and with other NYCHA employees who similarly required payments for work, that if CW-16 did not make payments to TORRES, CW-16 would not be paid for work CW-16 had completed or would not receive future NYCHA contracting work.

f. Individual-1 told CW-16 to pay TORRES for contracts at Soundview Houses. CW-16 paid TORRES in cash for multiple of the no-bid contracts CW-16 received from TORRES at Soundview Houses. The contracts were each worth between approximately \$4,000 and \$10,000.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 425

UNITED STATES OF AMERICA

v.

CALVIN WRIGHT,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DELCINE DOSCHER, being duly sworn, deposes and says that she is a Special Investigator with the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for the New York City Housing Authority (“NYCHA-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about December 2018 through at least in or about September 2022, in the Southern District of New York and elsewhere, CALVIN WRIGHT, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, WRIGHT solicited and accepted a total of at least approximately \$1,800 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$16,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about December 2018 through at least in or about September 2022, in the Southern District of New York and elsewhere, CALVIN WRIGHT, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, WRIGHT, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due WRIGHT or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Investigator with the NYC DOI NYCHA-OIG, and I have been personally involved in the investigation of this matter. I have been employed by NYC DOI since 2020. I and other members of the investigative team, which includes agents from NYC DOI, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that CALVIN WRIGHT, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

WRIGHT’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CALVIN WRIGHT, the defendant:

a. From at least in or about July 2018 through at least in or about October 2022, WRIGHT was employed as an assistant superintendent at Marcy Houses, a NYCHA development located in Brooklyn, New York.

WRIGHT’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Marcy Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2014, CW-2 has performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Marcy Houses in or about 2014. CW-2 paid CALVIN WRIGHT, the defendant, approximately \$600 to \$700 for at

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-4” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

least one no-bid purchase order worth approximately \$3,000 in or about September 2022.⁴ CW-2 paid WRIGHT because WRIGHT would not approve the work that CW-2 had completed until CW-2 did so. NYCHA records include WRIGHT's name as the "deliver to person" in connection with this contract and indicate the contract was "closed" (which indicates a NYCHA employee approved the completed work).

c. CW-2 understood, based on his interactions with WRIGHT and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make the payment to WRIGHT, WRIGHT would not approve the contract CW-2 had completed at Marcy Houses.

d. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of WRIGHT among photographs of dozens of other individuals. CW-2 correctly identified the photograph of WRIGHT as "Calvin Wright" at Marcy Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-2 has a contact saved in CW-2's cellphone with the name "Kevin Super" and a particular phone number ending in -5156 (the "5156 Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 5156 Number is a personal phone number listed for WRIGHT.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-4"),⁵ who has performed work at NYCHA's Marcy Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-4 performed contracting work for NYCHA as the owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-4 began performing no-bid purchase order work at Marcy Houses in or about 2015. CW-4 was awarded at least approximately seven no-bid contracts at Marcy Houses from in or about November 2018 through in or about July 2019 (all of which are listed in NYCHA records as "closed"), during the time in which CALVIN WRIGHT, the defendant, served as an assistant superintendent at that NYCHA facility. WRIGHT told CW-4, in substance and in part, "take care of me," which CW-4 understood was a demand for payment. From in or about

⁴ CW-2 also paid another assistant superintendent at Marcy Houses, whom CW-2 identified by name in a photograph. That assistant superintendent is being charged simultaneously with extortion and bribery offenses related to his solicitation of money for NYCHA contracts.

⁵ CW-4 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-4 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-4 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-4 know each other.

November 2018 through in or about July 2019, CW-4 paid WRIGHT approximately \$400 to \$500 in cash for each of approximately three to five no-bid contracts CW-4 received from WRIGHT.⁶

c. CW-4 understood, based on CW-4's interactions with WRIGHT and with other NYCHA employees who similarly required payments for work, that if CW-4 did not make payments to WRIGHT, CW-4 would not be awarded additional no-bid contracts for work at Marcy Houses.

d. On or about October 13, 2023, CW-4 reviewed photobooks containing a photograph of WRIGHT among photographs of dozens of other individuals. CW-4 identified the photograph of WRIGHT as "Kevin White" at Marcy Houses, the assistant superintendent to whom CW-4 had made payments in exchange for no-bid contracts from NYCHA. CW-4 later clarified that the name of the individual was "Calvin Wright," and, as noted below, CW-4 has a phone number for "Calvin Wright" saved in CW-4's phone.

e. CW-4 has provided a list of names and phone numbers for NYCHA employees to whom CW-4 paid money, including the name "Calvin Wright," from "Marcy Houses Brooklyn," along with the 5156 Number.

⁶ CW-4 estimated during a proffer meeting that CW-4 had paid WRIGHT \$400 to \$500 each for approximately five contracts, and later testified that CW-4 paid WRIGHT approximately \$500 each for approximately three to four contracts. NYCHA records include WRIGHT's name as the "deliver to person" in connection with approximately three no-bid contracts at Marcy Houses; although other contracts that CW-4 completed during this time period do not have WRIGHT listed as the "deliver to person," I understand from my discussions with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into NYCHA's computerized system, and individuals other than the person listed as the "deliver to person" could have involvement in awarding or processing a particular no-bid contract.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of CALVIN WRIGHT, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Delcine Doscher (by VF with permission)

DELCINE DOSCHER

Special Investigator

New York City Department of Investigation

Office of the Inspector General for NYCHA

Sworn to me through the transmission of
this Complaint by reliable electronic
means this 31 day of January, 2024.



THE HONORABLE VALERIE FIGUEREDO

United States Magistrate Judge

Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

2-1 MAG . 444

UNITED STATES OF AMERICA

v.

MAURICIO ESCOBAR,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2022 through at least in or about 2023, in the Southern District of New York and elsewhere, MAURICIO ESCOBAR, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2022 and 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, ESCOBAR solicited and accepted a total of at least approximately \$5,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$40,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2022 through at least in or about 2023, in the Southern District of New York and elsewhere, MAURICIO ESCOBAR, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, ESCOBAR, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due ESCOBAR or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that MAURICIO ESCOBAR, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2022 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

ESCOBAR’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of MAURICIO ESCOBAR, the defendant:

a. From at least in or about January 2022 through at least in or about October 2022, ESCOBAR was employed as a superintendent at Queensbridge South, a NYCHA development located in Queens, New York.

b. From at least in or about October 2022 through at least in or about January 2024, ESCOBAR was employed as an assistant superintendent at Latimer Gardens Consolidated, a NYCHA development located in Queens, New York.

ESCOBAR’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Queensbridge South, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-11” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

b. CW-2 began performing no-bid purchase order work at Queensbridge South in or about November 2016. CW-2 was awarded at least two no-bid contracts at Queensbridge South from in or about July 2022 through in or about September 2022, during the time in which MAURICIO ESCOBAR, the defendant, served as a superintendent at that NYCHA facility. CW-2 paid ESCOBAR between approximately \$1,000 and \$1,500 in cash for each of the two no-bid contracts at Queensbridge South.

c. CW-2 understood, based on CW-2's interactions with ESCOBAR and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to ESCOBAR, CW-2 would not be awarded additional no-bid contracts for work at Queensbridge South.

d. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of ESCOBAR among photographs of dozens of other individuals. CW-2 identified the photograph of ESCOBAR as "Escobar Mauricio" at Queensbridge South, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-2 has a contact saved in CW-2's cellphone with the name "Maurici [sic] Escobar" and a particular phone number ending in -3414 (the "ESCOBAR Number"), which CW-2 indicated is the contact for the NYCHA employee whom CW-2 paid at Queensbridge South. Based on subscriber records which I have reviewed, I have confirmed that the ESCOBAR Number is a personal phone number subscribed to ESCOBAR.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-11"),⁴ who has performed work at NYCHA's Queensbridge South and Latimer Gardens Consolidated, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-11 performed contracting work for NYCHA as the owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-11 began performing no-bid purchase order work at Queensbridge South in or about December 2018. CW-11 was awarded at least one no-bid contract at Queensbridge South in or about September 2022, during the time in which MAURICIO ESCOBAR, the defendant, served as a superintendent at that NYCHA facility. CW-11 paid ESCOBAR approximately \$1,000 in cash for the no-bid contract at Queensbridge South.

c. CW-11 was awarded at least one no-bid contract at Latimer Gardens Consolidated in or about June 2023, during the time in which ESCOBAR served as an assistant

⁴ CW-11 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-2 has never worked at any of the contracting companies where CW-11 worked. Both CW-2 and CW-11 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-11 know each other.

superintendent at that NYCHA facility. CW-11 paid ESCOBAR approximately \$1,000 in cash for the no-bid contract at Latimer Gardens Consolidated.

d. CW-11 understood, based on CW-11's interactions with ESCOBAR and with other NYCHA employees who similarly required payments for work, that if CW-11 did not make payments to ESCOBAR, CW-11 would not be awarded additional no-bid contracts for work at Queensbridge South and Latimer Gardens Consolidated.

e. On or about September 28, 2023, CW-11 reviewed photobooks containing a photograph of ESCOBAR among photographs of dozens of other individuals. CW-11 identified the photograph of ESCOBAR as "Macora,"⁵ the NYCHA employee to whom CW-11 had made payments in exchange for no-bid contracts from NYCHA at Queensbridge South and Latimer Gardens Consolidated.⁶

10. Based on my review of financial records for MAURICIO ESCOBAR, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about January 2016 and in or about July 2023, ESCOBAR made approximately 38 cash deposits totaling approximately \$54,705 into a particular bank account ("Account-1").

b. Between in or about July 2020 and in or about June 2023, ESCOBAR made approximately nine cash deposits totaling approximately \$9,250 into a second bank account ("Account-2").

c. In total, ESCOBAR deposited approximately \$63,955 in cash into Account-1 and Account-2 between in or about January 2016 and in or about July 2023.

d. ESCOBAR's cash deposits into Account-1 and Account-2 include deposits during the time period when CW-2 paid ESCOBAR between approximately \$1,500 and \$2,000 in cash per no-bid contract. Specifically, in or about July 2022, ESCOBAR deposited approximately \$1,800 in cash into Account-1.

⁵ CW-11 later recalled that the individual's name was "Marco" or "Macro." Based on my review of NYCHA records, no individual with the names "Marco" or "Macro" worked at Queensbridge South or Latimer Gardens Consolidated during this period.

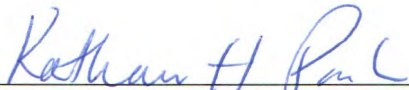
⁶ While reviewing photographs on or about September 28, 2023, CW-11 also identified a photograph of another individual—*i.e.*, not ESCOBAR—as the same person to whom CW-11 made payments in exchange for a no-bid contracts from NYCHA. This individual looks somewhat similar to ESCOBAR but has never worked at Queensbridge South or Latimer Gardens Consolidated.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MAURICIO ESCOBAR, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

ROBERTO CARTAGENA,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24MAG445

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, ROBERTO CARTAGENA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, CARTAGENA solicited and accepted a total of at least approximately \$12,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$125,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, ROBERTO CARTAGENA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, CARTAGENA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due CARTAGENA or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that ROBERTO CARTAGENA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

CARTAGENA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ROBERTO CARTAGENA, the defendant:

a. From at least in or about April 2018 through at least in or about December 2018, CARTAGENA was employed as a superintendent at Johnson Houses, a NYCHA development located in Manhattan, New York.

b. From at least in or about July 2021 through at least in or about December 2022, CARTAGENA was employed as a superintendent at Washington Houses, a NYCHA development located in Manhattan, New York.

CARTAGENA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-3”)² who has performed work at NYCHA’s Johnson Houses, among other developments,³ I have learned the following, in substance and in part:

a. From at least in or about 2018 through in or about 2021, CW-3 performed contracting work for NYCHA with a contracting company (the “CW-3 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-3 began performing no-bid purchase order work at Johnson Houses in or about July 2018. The CW-3 Company was awarded at least approximately three no-bid contracts at Johnson Houses from in or about July 2018 through in or about August 2018, during

² The cooperating witnesses referenced in this Complaint are designated as “CW-3” and “CW-10” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-3 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews.

the time in which ROBERTO CARTAGENA, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-3 paid CARTAGENA approximately \$500 in cash for each of the no-bid contracts the CW-3 Company received from CARTAGENA at Johnson Houses.

c. CW-3 understood, based on CW-3's interactions with CARTAGENA and with other NYCHA employees who similarly required payments for work, that if CW-3 did not make payments to CARTAGENA, CW-3 would not be awarded additional no-bid contracts for work at Johnson Houses.

d. On or about October 4, 2023, CW-3 reviewed photobooks containing a photograph of CARTAGENA among photographs of dozens of other individuals. CW-3 identified the photograph of CARTAGENA as the superintendent at Johnson Houses, the NYCHA employee to whom CW-3 had made payments in exchange for no-bid contracts from NYCHA, though CW-3 did not recall the individual's name.

e. CW-3 has a contact saved in CW-3's cellphone with the name "Rob Subher Jonsan Housing" and a particular phone number ending in -2710 (the "CARTAGENA Number"). Based on commercial databases which I have reviewed, I have confirmed that the CARTAGENA Number is a phone number associated with CARTAGENA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-10"),⁴ who has performed work at NYCHA's Washington Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2021, CW-10 performed contracting work for NYCHA with a contracting company (the "CW-10 Company") that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-10 began performing no-bid purchase order work at Washington Houses in or about August 2021. The CW-10 Company was awarded at least approximately 12 no-bid contracts at Washington Houses from in or about August 2021 through in or about August 2022, during the time in which ROBERTO CARTAGENA, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-10 paid CARTAGENA approximately 10% of the contract price for each of the approximately 12 no-bid contracts the CW-10 Company received from CARTAGENA at Washington Houses. The contracts were typically worth approximately \$10,000 each, and CW-10 therefore paid CARTAGENA approximately \$1,000 in cash per contract.

c. CW-10 understood, based on CW-10's interactions with CARTAGENA and with other NYCHA employees who similarly required payments for work, that if CW-10 did

⁴ CW-10 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-10 has never worked at any of the contracting companies where CW-3 worked. Both CW-3 and CW-10 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-3 and CW-10 know each other.

not make payments to CARTAGENA, CW-10 would not be awarded additional no-bid contracts for work at Washington Houses.

d. On or about December 7, 2023, CW-10 reviewed photobooks containing a photograph of CARTAGENA among photographs of dozens of other individuals. CW-10 correctly identified the photograph of CARTAGENA as “Roberto” at Washington Houses, the NYCHA employee to whom CW-10 had made payments in exchange for no-bid contracts from NYCHA.


f. CW-10 has a contact saved in CW-10’s cellphone with the name “Robb 70 Pitt Street”⁵ and the CARTAGENA Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ROBERTO CARTAGENA, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

[s/ Rasove Ramirez /otw](#)

RASOVE RAMIREZ
Special Agent
U.S. Department of Housing and Urban Development
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

⁵ 70 Pitt Street is the address of a NYCHA property where ROBERTO CARTAGENA, the defendant, worked prior to transferring to the Washington Houses in or about July 2021.

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

ORLANDO PARDO,

Defendant.

24 MAG . 446
SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, ORLANDO PARDO, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, PARDO solicited and accepted a total of at least approximately \$8,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$40,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, ORLANDO PARDO, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, PARDO, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due PARDO or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of the Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”), New York City Housing Authority – Office of the Inspector General (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that ORLANDO PARDO, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

PARDO’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ORLANDO PARDO, the defendant:

- a. From at least in or about May 2016 through at least in or about October 2020, PARDO was employed as a superintendent at Butler Houses, a NYCHA development located in the Bronx, New York.
- b. From at least in or about October 2020 through at least in or about August 2022, PARDO was employed as a superintendent at Sotomayor Houses, a NYCHA development located in the Bronx, New York.

PARDO’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-8”)² who has performed work at NYCHA’s Butler Houses and Sotomayor Houses, among other developments,³ I have learned the following, in substance and in part:

- a. Since at least in or about 2015, CW-8 performed contracting work for NYCHA as an owner of a contracting company (the “CW-8 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.
- b. CW-8 began performing no-bid purchase order work at Butler Houses in or about July 2016. The CW-8 Company was awarded at least approximately 37 no-bid contracts at Butler Houses from in or about July 2016 through in or about October 2020, during the time in which ORLANDO PARDO, the defendant, served as a superintendent at that NYCHA facility.

² The cooperating witness referenced in this Complaint is designated as “CW-8” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-8 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

NYCHA records indicate that for 36 of these contracts, PARDO is the listed “receiver.” During that time, CW-8 paid PARDO approximately \$1,000 in cash for each of approximately three or four no-bid contracts the CW-8 Company received from PARDO at Butler Houses (as CW-8 also received contracts from the assistant superintendent at Butler Houses, whom CW-8 did not pay).

c. PARDO instructed CW-8, in sum and substance, to come and see PARDO or to bring something to PARDO when PARDO expected a payment from CW-8. CW-8 paid PARDO after performing the work required by the no-bid contracts, but before PARDO “closed” the purchase order, which allowed the CW-8 Company to receive payment, often many months after being awarded the no-bid contract. CW-8 paid PARDO in cash, either on the street outside of Butler Houses or in the basement of one of the buildings.

d. CW-8 began performing no-bid purchase order work at Sotomayor Houses in or about May 2015. The CW-8 Company was awarded at least approximately five no-bid contracts at Sotomayor Houses from in or about October 2020 through in or about February 2021, during the time in which PARDO served as a superintendent at that NYCHA facility. During that time, CW-8 paid PARDO between approximately \$1,000 and \$1,500 in cash per contract for approximately two to three no-bid contracts the CW-8 Company received at Sotomayor Houses in 2021. NYCHA records indicate PARDO is the listed “receiver” for each of the three 2021 no-bid contracts awarded to the CW-8 Company.

e. On or about November 28, 2023, CW-8 reviewed photobooks containing a photograph of PARDO, among photographs of dozens of other individuals. CW-8 correctly identified the photograph of PARDO as “Orlando” at Butler Houses and Sotomayor Houses, the NYCHA employee to whom CW-8 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-8 has a contact saved in CW-8’s cellphone with the name “Orlando [sic] Super” and a particular phone number ending in -2157 (the “2157 Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 2157 Number is the personal phone number listed for PARDO.

9. Based on my review of financial records for ORLANDO PARDO, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about July 2016 and in or about September 2023, PARDO made a large amount of round-figure cash deposits into a particular bank account (“Account-1”). Specifically, he made approximately 204 cash deposits – 127 of which were deposits of \$500 or more – totaling approximately \$108,000.

b. PARDO’s cash deposits into Account-1 include deposits during the time period when CW-8 paid him approximately \$1,000 per no-bid contract. Specifically, on approximately 15 occasions between in or about September 2018 and in or about July 2021, PARDO deposited exactly \$1,000 in cash into Account-1.

c. PARDO’s cash deposits sometimes occurred close in time to when a no-bid contract which had been awarded to the CW-8 Company – sometimes weeks or months earlier – was “closed.” For example:

i. On or about July 19, 2016, a particular no-bid contract worth approximately \$3,400 was awarded to the CW-8 Company. On or about August 2, 2016, PARDO made three cash deposits into Account-1 totaling \$800. On or about August 9, 2016, that no-bid contract was closed.

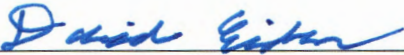
ii. On or about September 14, 2018, a particular no-bid contract worth approximately \$4,700 was awarded to the CW-8 Company. On or about September 25, 2018, PARDO made two cash deposits into Account-1 totaling \$2,000. On or about October 11, 2018, that no-bid contract was closed.

iii. On or about May 10, 2019, a particular no-bid contract worth approximately \$4,200 was awarded to the CW-8 Company. On or about June 11, 2019, that no-bid contract was closed. On or about June 14, 2019, PARDO made two cash deposits into Account-1 totaling \$1,000.

iv. On or about March 12, 2020, a particular no-bid contract worth approximately \$3,400 was awarded to the CW-8 Company. On or about June 2, 2020, PARDO made a \$600 cash deposit into Account-1. (PARDO also made a \$1,000 cash deposit into Account-1 on or about June 8, 2020.) On or about June 17, 2020, that no-bid contract was closed.

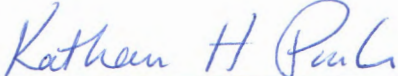
v. On or about July 2 and July 17, 2020, two particular no-bid contracts worth approximately \$4,400 and \$4,900, respectively, were awarded to the CW-8 Company. On or about August 12 and August 17, 2020, PARDO made two cash deposits into Account-1 totaling \$1,500. On or about August 21, 2020, both no-bid contracts were closed.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ORLANDO PARDO, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of the Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

24 MAG . 447

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JAIME RIVERA,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about May 2018 through at least in or about March 2020, in the Southern District of New York and elsewhere, JAIME RIVERA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, RIVERA solicited and accepted a total of at least approximately \$20,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$164,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about May 2018 through at least in or about March 2020, in the Southern District of New York and elsewhere, JAIME RIVERA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, RIVERA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due RIVERA or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JAIME RIVERA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

RIVERA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JAIME RIVERA, the defendant:

a. From at least in or about July 2015 through at least in or about March 2020, RIVERA was employed as an assistant superintendent at Lower East Side Consolidated, a NYCHA development located in New York, New York, which also manages Campos Plaza, another NYCHA development located nearby.

RIVERA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Lower East Side Consolidated and Campos Plaza, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2017, CW-5 and CW-7 have performed contracting work for NYCHA as partners with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-5 and CW-7 began performing no-bid purchase order work at NYCHA’s Lower East Side Consolidated and Campos Plaza developments in or about May 2018.

² The cooperating witnesses referenced in this Complaint are designated as “CW-5” and “CW-7” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

From in or about May 2018 through in or about March 2020, CW-5 and CW-7 were awarded and completed approximately 39 purchase order contracts at Lower East Side Consolidated and Campos Plaza. NYCHA records include the name of JAIME RIVERA, the defendant, in connection with all or nearly all of these contracts and indicate each of the contracts was “closed” (which indicates a NYCHA employee approved the completed work).

c. As described below, an assistant superintendent at Campos Plaza and Lower East Side Consolidated whom CW-5 identified as “Jimmy” and whom CW-7 identified as “Jaime Riveria”—whom I believe, for the reasons explained below, is RIVERA—solicited and accepted money from CW-5 for no-bid contracts at those developments. CW-5 has “Jimmy’s” contact information from a particular encrypted messaging application saved in CW-5’s cellphone with the name “Lower East Super 2,” a particular phone number ending in -6979 (the “RIVERA Number”), and a user profile photograph that includes a man identified by CW-5 as “Jimmy.” Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the RIVERA Number is a personal phone number listed for RIVERA.

d. On or about November 16, 2023, CW-5 reviewed photobooks containing a photograph of RIVERA among photographs of dozens of other individuals, and identified the photograph of RIVERA as “Jimmy” whom CW-5 had paid at Campos Plaza and Lower East Side Consolidated.⁴

e. When CW-5 and CW-7 were first awarded a no-bid contract at Lower East Side Consolidated and Campos Plaza, RIVERA met with CW-5 to look at the work site, and, while walking around the development, RIVERA asked CW-5 to “take care of” RIVERA, which CW-5 understood to mean that RIVERA wanted to be paid by CW-5 for awarding no-bid contracts.

f. After each no-bid contract was awarded to CW-5 and CW-7, RIVERA required them to pay RIVERA. CW-5 and CW-7 typically paid RIVERA up to approximately \$1,500 in cash for each \$5,000 contract and up to approximately \$3,000 in cash for each \$10,000 contract.⁵ CW-5 was the one who paid RIVERA, but CW-7 was aware of the payments because CW-5 and CW-7 discussed the payments at the time, and because they sometimes went to the bank together to withdraw the money that CW-5 used to make payments to RIVERA. Based on my review of financial records for companies used by CW-5 and CW-7, I have learned that between at least in or about August 2018 and in or about March 2020, there are numerous cash withdrawals

⁴ On or about November 21, 2023, CW-7 reviewed photobooks containing a photograph of RIVERA among photographs of dozens of other individuals, but did not identify the photograph of RIVERA, nor did he identify any other photographs as appearing to be the individual CW-7 knew as “Jaime Riveria.”

⁵ CW-5 recalled paying RIVERA \$1,500 in cash for each \$5,000 contract and \$3,000 in cash for each \$10,000 contract. CW-7 recalled that, at first, CW-5 and CW-7 paid RIVERA \$500 in cash for \$5,000 contracts, but that RIVERA later said he knew CW-5 and CW-7 were paying another NYCHA employee \$1,000 so they had to pay RIVERA that much as well. However, CW-7 also recalled that generally CW-5 and CW-7 had to pay NYCHA superintendents and assistant superintendents \$1,500 in cash for a \$5,000 contract and \$3,000 in cash for a \$10,000 contract.

in amounts similar to or greater than the amounts CW-5 and CW-7 paid to NYCHA employees including RIVERA.

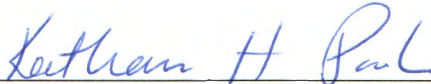
g. CW-5 and CW-7 understood, based on their interactions with RIVERA and with other NYCHA employees who similarly required payments for work, that if they did not make payments to RIVERA, they would not be awarded additional no-bid contracts for work at the Lower East Side Consolidated and Campos Plaza.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JAIME RIVERA, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of the Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

TUESDAI GASKIN,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 448

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2016 through at least in or about March 2021, in the Southern District of New York and elsewhere, TUESDAI GASKIN, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2016 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, GASKIN solicited and accepted a total of at least approximately \$28,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$250,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2016 through at least in or about March 2021, in the Southern District of New York and elsewhere, TUESDAI GASKIN, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, GASKIN, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due GASKIN or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that TUESDAY GASKIN, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

GASKIN’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of TUESDAI GASKIN, the defendant:

- a. From at least in or about November 2013 through at least in or about April 2017, GASKIN was employed as a superintendent at Surfside Gardens, a NYCHA development located in Brooklyn, New York.
- b. From at least in or about May 2017 through at least in or about September 2023, GASKIN was employed as a superintendent at Stuyvesant Gardens, a NYCHA development located in Brooklyn, New York.

GASKIN’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-3”)² who has performed work at NYCHA’s Stuyvesant Gardens, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-3” and “CW-26” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-3 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview.

a. From at least in or about 2018 through in or about 2021, CW-3 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-3 began performing no-bid purchase order work at Stuyvesant Gardens in or about April 2018. Previously, CW-3 had attempted to be awarded contracts at Stuyvesant Gardens multiple times without success. TUESDAI GASKIN, the defendant, then told CW-3, in substance and in part, “take care of me and I’ll give you work,” which CW-3 understood to mean GASKIN was asking for payment in exchange for awarding no-bid contracts. CW-3 was awarded at least approximately 66 no-bid contracts at Stuyvesant Gardens from in or about April 2018 through in or about May 2021, during the time in which GASKIN served as a superintendent at that NYCHA facility. During that time, CW-3 paid GASKIN for approximately 80% of the no-bid contracts that CW-3 received from GASKIN at Stuyvesant Gardens. CW-3 typically paid GASKIN approximately \$500 or \$1,000 in cash for each contract, which were typically each worth approximately \$5,000.

c. CW-3 understood, based on CW-3’s interactions with GASKIN and with other NYCHA employees who similarly required payments for work, that if CW-3 did not make payments to GASKIN, CW-3 would not be awarded additional no-bid contracts for work at Stuyvesant Gardens.

d. On or about October 4, 2023, CW-3 reviewed photobooks containing a photograph of GASKIN among photographs of dozens of other individuals. CW-3 identified the photograph of GASKIN as “Tuesdai” at Stuyvesant Gardens, the NYCHA employee to whom CW-3 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-3 has a contact saved in CW-3’s cellphone with the name “Tewes Day Subher” and a particular phone number ending in -2475 (the “2475 Number”). Based on subscriber records which I have reviewed, I have confirmed that the 2475 Number is a personal phone number used by GASKIN.⁴

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-26”),⁵ who has performed work at NYCHA’s Surfside Gardens and Stuyvesant Gardens, among other developments, I have learned the following, in substance and in part:

⁴ NYCHA Human Resources records list the 2475 Number as the phone number for GASKIN’s emergency contact, an individual who is described as GASKIN’s child.

⁵ CW-26 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-26 has never worked at any of the contracting companies where CW-3 worked. Both CW-3 and CW-26 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-3 and CW-26 know each other.

a. Since at least in or about 2016, CW-26 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. In or about September 2016, CW-26 received approval to fulfill certain work at Surfside Gardens and other developments pursuant to a blanket contract that CW-26 had been awarded by NYCHA. CW-26 paid TUESDAI GASKIN, the defendant, on approximately four to seven occasions for work that CW-26 completed at Surfside Gardens pursuant to the blanket contract after GASKIN told CW-26, in substance and in part, that “if you want work, you’ll have to pay me.”⁶ Specifically, when CW-26 asked to be paid for additional hours of work because certain work had taken or was expected to take longer than anticipated, GASKIN submitted the request to NYCHA with approximately *double* the number of additional hours that CW-26 had actually performed or expected to perform so that GASKIN could be paid the extra amount (approximately \$200 to \$300 each time) by CW-26, and told CW-26, in substance and in part, “that’s my half.”

c. CW-26 began performing no-bid purchase order work at Stuyvesant Gardens in or about November 2016. CW-26 was awarded at least approximately eight no-bid contracts at Stuyvesant Gardens from in or about February 2018 through in or about March 2021 (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work), during the time in which GASKIN served as a superintendent at that NYCHA facility. During that time, GASKIN asked CW-26 for payment for each no-bid contract, but CW-26 paid her for only approximately four to five contracts because the profit margin on the others did not allow CW-26 to be able to afford to pay GASKIN. With respect to the contracts for which CW-26 made payments to GASKIN, CW-26 paid GASKIN approximately \$500 to \$1,000 per no-bid contract.

d. CW-26 understood, based on CW-26’s interactions with GASKIN and with other NYCHA employees who similarly required payments for work, that CW-26 would not be awarded no-bid contracts or receive payment for additional hours worked pursuant to blanket contracts unless CW-26 agreed to pay GASKIN.

e. On or about December 15, 2023, CW-26 reviewed photobooks containing a photograph of GASKIN among photographs of dozens of other individuals. CW-26 correctly identified the photograph of GASKIN as “Tuesdai Gaskin” at Surfside Gardens, the NYCHA employee to whom CW-26 had made payments in exchange for no-bid contracts from NYCHA.⁷

f. CW-26 has a contact saved in CW-26’s cellphone with the name “Stuyvesant Gardens 835 Getes Avn Brky,” GASKIN’s NYCHA email address, and both the 2475 Number and a particular phone number ending in -4900 (the “4900 Number”). Based on NYCHA

⁶ CW-26 was also awarded several no-bid contracts by GASKIN at Surfside Gardens, but did not pay her for those contracts.

⁷ CW-26 had tentatively identified an earlier (incorrect) photograph in the photobook as “possibly” GASKIN, but when CW-26 came to the correct photograph of GASKIN, CW-26 said, in sum and substance, that the second (correct) photograph was actually GASKIN.

records which I have reviewed, I have confirmed that the 4900 Number is a general phone number for the Stuyvesant Gardens management office.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of TUESDAI GASKIN, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez/otw

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG

United States Magistrate Judge

Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

24 MAG . 449

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

ALEXIS NIEVES,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about February 2019 through at least in or about April 2021, in the Southern District of New York and elsewhere, ALEXIS NIEVES, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, NIEVES solicited and accepted a total of at least approximately \$4,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$49,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about February 2019 through at least in or about April 2021, in the Southern District of New York and elsewhere, ALEXIS NIEVES, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, NIEVES, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due NIEVES or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that ALEXIS NIEVES, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

NIEVES’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ALEXIS NIEVES, the defendant:

a. From at least in or about January 2019 through at least in or about February 2022, NIEVES was employed as a superintendent at Garvey-Prospect Plaza, a jointly-managed NYCHA consolidation consisting of Marcus Garvey Apartments (“Marcus Garvey”) and Prospect Plaza, located in Brooklyn, New York.

NIEVES’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Marcus Garvey development, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Marcus Garvey in or about 2018. CW-2 was awarded at least approximately 12 no-bid contracts at Marcus Garvey from in or about February 2019 through in or about December 2020 (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work, and

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-13” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

eleven of which list ALEXIS NIEVES, the defendant, as the “receiver” for the purchase order), during the time in which NIEVES served as a superintendent at that NYCHA facility. During that time, CW-2 paid NIEVES approximately \$400 to \$500 in cash for each of approximately three to five no-bid contracts.

c. CW-2 understood, based on CW-2’s interactions with NIEVES and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to NIEVES, NIEVES would make it difficult for CW-2 to receive additional no-bid contracts or receive payment for contracts that CW-2 had already fulfilled.

d. On or about November 7, 2023, CW-2 reviewed photobooks containing a photograph of NIEVES among photographs of dozens of other individuals. CW-2 identified the photograph of NIEVES as “Alex” at Marcus Garvey, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.⁴

e. CW-2 has a contact saved in CW-2’s cellphone with the name “Alx S Super” and a particular phone number ending in -9745 (the “9745 Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 9745 Number is the personal phone number listed for NIEVES.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-13”),⁵ who has performed work at NYCHA’s Marcus Garvey development, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2021, CW-13 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-13 began performing no-bid purchase order work at Marcus Garvey in or about February 2021. CW-13 was awarded at least approximately seven no-bid contracts at Marcus Garvey from in or about February 2021 through in or about April 2021 (all of which are listed in NYCHA records as “closed,” and all of which list ALEXIS NIEVES, the defendant, as the “receiver”), during the time in which NIEVES served as a superintendent at that NYCHA facility.⁶ During that time, CW-13 paid NIEVES approximately 10% of the value of the contract

⁴ During previous interviews, prior to reviewing any photograph of NIEVES, CW-2 had not recalled paying any NYCHA employees at Marcus Garvey. Reviewing the photograph of NIEVES appears to have refreshed CW-2’s recollection.

⁵ CW-13 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview. CW-13 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-13 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-13 know each other.

⁶ NYCHA records show that NIEVES’s identification badge “punched” in and out of Marcus Garvey and/or Prospect Plaza (which, as noted, were both part of the same consolidation and

for approximately all of the no-bid contracts CW-13 was awarded at Marcus Garvey. Each no-bid contract was worth approximately \$5,000, and CW-13 therefore paid NIEVES approximately \$500 in cash per contract.

c. CW-13 understood, based on his interactions with NIEVES and with other NYCHA employees who similarly required payments for work, that if CW-13 did not make payments to NIEVES, CW-13 would not be awarded additional no-bid contracts for work at Marcus Garvey.

d. CW-13 has a contact saved in CW-13's cellphone with the name "Alexis Super Garvy" and a particular phone number ending in -9210 (the "9210 Number"). Based on NYCHA records which I have reviewed, I have confirmed that the 9210 Number is the NYCHA cellphone number used by NIEVES.

e. CW-13 provided certain emails between CW-13 and NIEVES's NYCHA email address relating to proposals for new contracts and statements of services for completed contracts by CW-13 at Marcus Garvey, including for the no-bid contracts for which CW-13 paid NIEVES.⁷

shared management) between in or about February 2021 through in or about April 2021, during the time of CW-13's no-bid contracts.

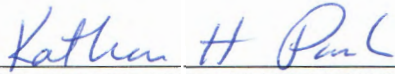
⁷ On or about November 20, 2023, CW-13 reviewed photobooks containing a photograph of NIEVES among photographs of dozens of other individuals, but did not identify the photograph of NIEVES. CW-13 did identify two other photographs, which were not of NIEVES, as photographs that looked similar to NIEVES, but CW-13 was not sure about either photograph being NIEVES. (From my review of the photographs, I believe the individuals in these photographs – neither of whom was ever employed at Marcus Garvey – look similar to NIEVES.) CW-13 stated before reviewing the photobooks that it has been a long time since CW-13 had interacted with the NYCHA employees whom CW-13 paid, and that CW-13 was not sure CW-13 would recognize any photographs.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ALEXIS NIEVES, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG . 450

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

NAKIA MCCOY,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about August 2018 through at least in or about June 2022, in the Southern District of New York and elsewhere, NAKIA MCCOY, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018, 2019, 2020, 2021, and 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MCCOY solicited and accepted a total of at least approximately \$17,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$124,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about August 2018 through at least in or about June 2022, in the Southern District of New York and elsewhere, NAKIA MCCOY, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MCCOY, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MCCOY or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that NAKIA MCCOY, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

NAKIA MCCOY’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of NAKIA MCCOY, the defendant:

a. From at least on or about January 22, 2014, through at least on or about January 24, 2016, MCCOY was employed as a supervisor of housing caretakers at Bushwick Houses, a NYCHA development located in Brooklyn, New York.

b. From at least on or about July 30, 2018, through at least on or about April 11, 2021, MCCOY was employed as a superintendent at Hylan Houses, a NYCHA development located in Brooklyn, New York, which is managed by and shares a management office with Bushwick Houses, another NYCHA development located in Brooklyn, New York.

c. From at least on or about December 29, 2021, through at least on or about July 31, 2022, MCCOY was employed as a superintendent at Ingersoll Houses, a NYCHA development located in Brooklyn, New York.

d. In addition, between on or about February 1, 2019, and on or about February 23, 2023, MCCOY’s NYCHA identification card records show that she regularly swiped into work at the management office located at the Bushwick Houses, and MCCOY’s name is listed on NYCHA records as associated with no-bid contracts at Bushwick Houses that were approved between in or about August 2018 and in or about March 2020.

NAKIA MCCOY’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-2”),² who has performed work at NYCHA’s Bushwick Houses, Hylan Houses, and Ingersoll Houses among

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-6” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

other developments,³ and my review of records from CW-2, I have learned the following, in substance and in part:

a. Since at least 2015, CW-2 performed contracting work for NYCHA as an owner, operator, and/or employee of several contracting companies (the “CW-2 Companies”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. The CW-2 Companies began performing no-bid purchase order work at Hylan Houses in or about September 2015. CW-2 was awarded at least approximately two no-bid contracts at Hylan Houses from in or about August 2018 through in or about October 2018, during the time in which NAKIA MCCOY, the defendant, served as a superintendent at Hylan Houses. During that time, CW-2 paid MCCOY approximately \$500 in cash for each no-bid contract that CW-2 received from MCCOY at Hylan Houses. Those no-bid contracts were each worth between approximately \$4,000 and approximately \$5,000.

c. The CW-2 Companies began performing no-bid purchase order work at Bushwick Houses in or about October 2013. MCCOY awarded CW-2 at least approximately twenty no-bid contracts at Bushwick Houses from in or about February 2019 through in or about February 2021.⁴ CW-2 paid MCCOY approximately \$500 to \$600 in cash for each no-bid contract that CW-2 received from MCCOY at Bushwick Houses. Those no-bid contracts were each worth approximately \$5,000.

d. The CW-2 Companies began performing no-bid purchase order work at Ingersoll Houses in or about February 2015. In or about April 2022, CW-2 was awarded at least one no-bid contract at Ingersoll Houses during the time in which MCCOY served as a superintendent at that NYCHA facility. CW-2 paid MCCOY approximately \$500 in cash for the no-bid contract that CW-2 received from MCCOY at Ingersoll Houses. That no-bid contract was worth approximately \$5,000.

e. CW-2 understood, based on CW-2’s interactions with MCCOY and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to MCCOY, CW-2 would not be awarded additional no-bid contracts for work at Hylan Houses, Bushwick Houses, and Ingersoll Houses.

f. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of MCCOY among photographs of dozens of other individuals. CW-2 correctly identified the photograph of MCCOY as “Nakia McCoy” at Bushwick Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ CW-2 identified MCCOY as superintendent at Bushwick Houses, although this title is not reflected in her NYCHA employment records.

g. CW-2 has a contact saved in CW-2's cellphone with the name "MCCOY, NAKIA Super Bush" and a particular phone number ending in -3448 (the "MCCOY Number"). Based on subscriber and NYCHA Human Resources records which I have reviewed, I have confirmed that the MCCOY Number is a personal phone number used by MCCOY.

h. CW-2 provided text messages between CW-2 and the MCCOY Number, in which, based on the content of the messages, dated between in or about September 2018 through in or about March 2022, CW-2 and the MCCOY Number appear to discuss specific contracting work that CW-2 will perform.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-6") who has performed work at NYCHA's Bushwick Houses and Ingersoll Houses, among other developments,⁵ and my review of records from CW-6, I have learned the following, in substance and in part:

a. Since at least 2020, CW-6 performed contracting work for NYCHA as the operator of contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at Bushwick Houses in or about October 2020. MCCOY awarded CW-6 at least approximately one no-bid contract at Bushwick Houses in or about October 2020. For that no-bid contract worth approximately \$5,000, CW-6 paid MCCOY approximately \$1,000 in cash.

c. CW-6 began performing no-bid purchase order work at Ingersoll Houses in or about January 2022. CW-6 was awarded at least approximately five no-bid contracts at Ingersoll Houses from in or about January 2022 through in or about June 2022, during the time in which MCCOY served as a superintendent at that NYCHA facility. During that time, CW-6 paid MCCOY approximately 20% of the contract price for all or nearly all of the no-bid contracts CW-6 received from MCCOY at Ingersoll Houses. CW-6 made each of those payments to MCCOY in cash. Most of those contracts were each worth approximately \$5,000, and at least approximately one of those contracts was worth approximately \$10,000.

d. CW-6 understood, based on CW-6's interactions with MCCOY and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make payments to MCCOY, CW-6 would not be awarded additional no-bid contracts for work at Bushwick Houses and Ingersoll Houses.

e. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of MCCOY among photographs of dozens of other individuals. CW-6 identified the

⁵ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-6 has never worked at any of the contracting companies where CW-2 worked. Both CW-6 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-6 and CW-2 know each other.

photograph of MCCOY as “Nakia” at Bushwick and Ingersoll Houses, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-6 has a contact saved in CW-6’s cellphone with the name “Nakia Mccoy (bushwick Houses)” and the MCCOY Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of NAKIA MCCOY, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

LATEISHA HARLEY,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 451

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2019 through at least in or about August 2021, in the Southern District of New York and elsewhere, LATEISHA HARLEY, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, HARLEY solicited and accepted bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$10,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2019 through at least in or about August 2021, in the Southern District of New York and elsewhere, LATEISHA HARLEY, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, HARLEY, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due HARLEY or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that LATEISHA HARLEY, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for arranging for contractors to obtain no-bid contracts for work performed at NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

HARLEY’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of LATEISHA HARLEY, the defendant:

a. From at least in or about November 2005 through at least in or about October 2019, HARLEY was employed as a caretaker² at Polo Grounds Towers, a NYCHA development located in New York, New York.

b. From at least in or about October 2019 through the present, HARLEY was employed as a caretaker at King Towers, a NYCHA development located in New York, New York.

HARLEY’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)³ who has performed work at NYCHA’s Polo Grounds Towers, among other developments,⁴ I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-1 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 began performing no-bid purchase order work at Polo Grounds Towers in or about 2015. LATEISHA HARLEY, the defendant, worked in the storeroom at Polo Grounds Towers and, among other things, assisted the superintendent in entering no-bid contracts into the NYCHA computer system. CW-1 paid HARLEY approximately \$200 for several no-bid contracts she assisted in awarding to CW-1 in or about 2019 because HARLEY told CW-1, in

² A caretaker is below the assistant superintendent in the organizational structure of a NYCHA development and, among other responsibilities, assists in maintenance and supplies at the development.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-1” and “CW-16” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

substance and in part, that if CW-1 did not pay her, HARLEY would not enter the contract into the system and HARLEY would ask the superintendent to award the contract to a different contractor.⁵ HARLEY also told CW-1 that other companies – including one owned by CW-16 – were paying her as well.

c. CW-1 understood, based on CW-1’s interactions with HARLEY and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to HARLEY, CW-1 would not be awarded additional no-bid contracts for work at the developments at which HARLEY worked.

d. On or about November 9, 2023, CW-1 reviewed photobooks containing a photograph of HARLEY among photographs of dozens of other individuals. CW-1 identified the photograph of HARLEY as “Tanisha” from the Polo Grounds Towers storeroom, the NYCHA employee to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-1 has a contact saved in CW-1’s cellphone with the name “Letisha Polo” and a particular phone number ending in -7981 (the “7981 Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 7981 Number is a personal phone number listed for HARLEY.

f. CW-1 provided certain text messages with HARLEY between in or about August 2018 and in or about September 2021. In certain of those text messages, HARLEY referred to her involvement in processing no-bid purchase order contracts for CW-1 and her ability to have the contracts canceled. For example, in or about January 2019, she wrote to CW-1, among other things:

- i. “I’m about to cut you off”
- ii. “So I’m going to cancel the one until you come”
- iii. “when you come I will put [the contract] in”

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-16”),⁶ who has

⁵ NYCHA records show that HARLEY’s name is listed as the “deliver to” person for approximately 72 no-bid contracts at Polo Grounds Towers that were awarded to CW-1 between in or about March 2016 and in or about September 2019 (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work).

⁶ CW-16 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-16 and CW-1 are relatives, and CW-16 has reported that CW-1 assisted in making certain payments to superintendents for work completed by CW-16. During this investigation, CW-16 and CW-1 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with others the contents of their interviews or their grand jury testimony in connection with this investigation.

performed work at NYCHA's Grant Houses and King Towers, among other developments, I have learned the following, in substance and in part:

a. From at least in or about 2017 through in or about 2022, CW-16 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-16 first met LATEISHA HARLEY, the defendant, at Polo Grounds Towers, where HARLEY worked in the storeroom and would input no-bid purchase order contracts into the NYCHA computer system. CW-16 did not make payments for no-bid contracts awarded to CW-16 at Polo Grounds Towers. However, CW-16 made payments to HARLEY between in or about August 2020 through in or about August 2021 for no-bid contracts CW-16 was awarded at King Towers, during which time HARLEY was working in the storeroom at that NYCHA facility.

c. CW-16 also paid HARLEY for contracts that CW-16 was awarded at Grant Houses – a NYCHA development located in New York, New York – where CW-16 was awarded no-bid contracts from in or about September 2020 through in or about December 2020; although HARLEY did not officially work at Grant Houses, she sometimes worked with the superintendent or assistant superintendent at Grant Houses, with whom she was friends, and entered that NYCHA employee's no-bid contracts into the NYCHA computer system.

d. CW-16 paid HARLEY approximately \$100 to \$300 per contract that HARLEY assisted in entering into the NYCHA computer system, although CW-16 does not recall whether CW-16 paid HARLEY for every contract. On at least some occasions when CW-16 did not pay HARLEY, CW-16 experienced issues with obtaining approval for the no-bid contract. However, after CW-16 paid HARLEY, the no-bid contracts would be approved.

e. CW-16 understood, based on CW-16's interactions with HARLEY and with other NYCHA employees who similarly required payments for work, that if CW-16 did not make payments to HARLEY, CW-16 would not receive additional no-bid contracts for work at the developments at which HARLEY worked.

f. On or about December 18, 2023, CW-16 reviewed photobooks containing a photograph of HARLEY among photographs of dozens of other individuals. CW-16 identified the photograph of HARLEY as "Latisha from the storeroom" at Polo Grounds Towers, the NYCHA employee to whom CW-16 had made payments in exchange for no-bid contracts from NYCHA.

g. CW-16 has a contact saved in CW-16's cellphone with the name "Letisha Storeroom Polo Ground" and the 7981 Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of LATISHA HARLEY, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG . 452

UNITED STATES OF AMERICA

v.

JAMES MILLER,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

(Solicitation and Receipt of a Bribe by Agent of Organization Receiving Federal Funds)

1. From at least in or about 2020 through at least in or about 2023, in the Southern District of New York and elsewhere, JAMES MILLER, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MILLER solicited and accepted a total of at least approximately \$24,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$180,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2020 through at least in or about 2023, in the Southern District of New York and elsewhere, JAMES MILLER, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MILLER, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MILLER or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JAMES MILLER, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MILLER’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JAMES MILLER, the defendant:

a. From at least in or about October 2017 through at least in or about January 2024, MILLER was employed as a superintendent at Wagner Houses, a NYCHA development located in Manhattan, New York.

MILLER’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-21”)² who has performed work at NYCHA’s Wagner Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2021, CW-21 performed contracting work for NYCHA as an operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-21 began performing no-bid purchase order work at Wagner House in or about March 2021. CW-21 was awarded at least approximately 12 no-bid contracts at Wagner House from in or about March 2021 through in or about July 2022, during the time in which JAMES MILLER, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-21 paid MILLER approximately 20% of the contract price in cash for approximately all of the no-bid contracts CW-21 received from MILLER at Wagner Houses. The contracts were

² The cooperating witnesses referenced in this Complaint are designated as “CW-21” and “CW-2” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-21 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews.

typically each worth approximately \$5,000, and CW-21 therefore paid MILLER approximately \$1,000 per contract.

c. CW-21 was awarded approximately two no-bid contracts at Jefferson Houses on or about December 21 and December 22, 2023. CW-21 paid MILLER approximately 20% of the contract price in cash for these two contracts. One of the contracts was worth approximately \$10,000 and the other contract was worth approximately \$5,000. CW-21 therefore paid MILLER between approximately \$1,000 and \$2,000 per contract. Although MILLER is listed in NYCHA employment records as having been assigned during this period to Wagner Houses (which is approximately one-half mile from Jefferson Houses), NYCHA records also show that MILLER's identification badge "punched in" at Jefferson Houses on or about December 24, 2022. NYCHA records also list MILLER as the "receiver" for these two contracts. It therefore appears that MILLER approved CW-21's contracts at Jefferson Houses, even though he was administratively assigned to Wagner Houses.

d. CW-21 understood, based on CW-21's interactions with MILLER and with other NYCHA employees who similarly required payments for work, that if CW-21 did not make payments to MILLER, CW-21 would not be awarded additional no-bid contracts for work at the NYCHA developments where MILLER worked.

e. On or about November 22, 2023, CW-21 reviewed photobooks containing a photograph of MILLER among photographs of dozens of other individuals. CW-21 identified the photograph of MILLER as "Miller," the NYCHA employee to whom CW-21 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-21 has a contact saved in CW-21's cellphone with the name "James Wagner Houses" and a particular phone number ending in -4339 (the "MILLER Work Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the MILLER Work Number is a work phone number used by MILLER.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-2"),⁴ who has performed work at NYCHA's Wagner Houses, among other developments, I have learned the following, in substance and in part:

⁴ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. CW-2 has never worked at any of the contracting companies where CW-21 worked. Both CW-2 and CW-21 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-21 know each other. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

a. Since at least in or about 2017, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 was awarded at least approximately 40 no-bid contracts at Wagner House from in or about November 2017 through in or about July 2023, during the time in which JAMES MILLER, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-2 paid MILLER approximately 15% to 20% of the contract price in cash for approximately 15 of the no-bid contracts CW-2 received from MILLER at Wagner Houses between in or about 2020 and in or about 2023. The contracts were typically each worth between approximately \$5,000 and \$10,000, and CW-2 therefore paid MILLER between approximately \$750 and \$2,000 per contract.

c. CW-2 understood, based on CW-2's interactions with MILLER and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to MILLER, CW-2 would not be awarded additional no-bid contracts for work at Wagner Houses.

d. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of MILLER among photographs of dozens of other individuals. CW-2 correctly identified the photograph of MILLER as "James Miller" at Wagner Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-2 has a contact saved in CW-2's cellphone with the name "James Miller KB Super" and a particular phone number ending in -1414 (the "MILLER Personal Number"). Based on subscriber records which I have reviewed, I have confirmed that the MILLER Personal Number is a personal phone number subscribed to MILLER.

10. Based on my review of financial records for JAMES MILLER, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about 2017 and in or about 2023, MILLER made a large amount of cash deposits into a particular bank account ("Account-1"). Specifically, he made approximately 228 cash deposits totaling approximately \$250,000.

b. MILLER's cash deposits into Account-1 include deposits during the time period when CW-21 paid him approximately \$1,000 per no-bid contract. Specifically, from in or about June 2021 through in or about August 2022, MILLER made twelve separate deposits of \$1,000 into Account-1.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JAMES MILLER, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG . 453

UNITED STATES OF AMERICA

v.

DANNY MATOS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 through at least in or about 2023, in the Southern District of New York and elsewhere, DANNY MATOS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MATOS solicited and accepted a total of at least approximately \$30,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$290,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO**(Extortion Under Color of Official Right)**

2. From at least in or about 2018 through at least in or about 2023, in the Southern District of New York and elsewhere, DANNY MATOS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MATOS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MATOS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that DANNY MATOS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MATOS'S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of DANNY MATOS, the defendant:

a. From at least in or about September 2017 through at least in or about October 2019, MATOS was employed as a superintendent at Borinquen Plaza, a NYCHA development located in Brooklyn, New York.

b. From at least in or about October 2019 through at least in or about May 2022, MATOS was employed as a superintendent at East River Houses, a NYCHA development located in Manhattan, New York.

c. From at least in or about May 2022 through at least in or about April 2023, MATOS was employed as a superintendent at Pelham Parkway, a NYCHA development located in the Bronx, New York.

d. From at least in or about April 2023 through at least in or about January 2024, MATOS was employed as a superintendent at Stapleton Houses, a NYCHA development located in Staten Island, New York.

MATOS'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s East River Houses and Pelham Parkway, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-12” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

a. Since at least in or about 2018, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 was awarded at least approximately 21 no-bid contracts at Borinquen Plaza from in or about February 2018 through in or about October 2018, during the time in which DANNY MATOS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-2 paid MATOS approximately 10% of the contract price in cash for approximately each of the no-bid contracts CW-2 received from MATOS at Borinquen Plaza. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid MATOS approximately \$500 in cash per contract.

c. CW-2 was awarded at least approximately 16 no-bid contracts at East River Houses from in or about May 2019 through in or about February 2021, during the time in which MATOS served as a superintendent at that NYCHA facility. During that time, CW-2 paid MATOS between approximately \$500 and \$1,000 in cash per contract for approximately four of the no-bid contracts CW-2 received from MATOS at East River Houses.

d. CW-2 was awarded at least approximately three no-bid contracts at Pelham Parkway from in or about June 2022 through in or about August 2022, during the time in which MATOS served as a superintendent at that NYCHA facility. During that time, CW-2 paid MATOS approximately \$600 in cash for approximately each of the no-bid contracts CW-2 received from MATOS at Pelham Parkway.

e. CW-2 was awarded at least approximately three no-bid contracts at Stapleton Houses from in or about June 2023 through in or about July 2023, during the time in which MATOS served as a superintendent at that NYCHA facility. During that time, CW-2 paid MATOS approximately \$1,500 in cash for approximately each of the no-bid contracts CW-2 received from MATOS at Stapleton Houses.

f. CW-2 understood, based on CW-2's interactions with MATOS and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to MATOS, CW-2 would not be awarded additional no-bid contracts for work at the developments where MATOS worked.

g. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of MATOS among photographs of dozens of other individuals. CW-2 correctly identified the photograph of MATOS as "Danny Matos" at Borinquen Plaza, East River Houses, and Pelham Parkway, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

h. CW-2 has a contact saved in CW-2's cellphone with the name "MATOS,DANNY Super" and a particular phone number ending in -9789 (the "MATOS Number"). Based on NYCHA databases and subscriber records which I have reviewed, I have confirmed that the MATOS Number is a personal phone number subscribed to MATOS.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-12”),⁴ who has performed work at NYCHA’s East River Houses and Pelham Parkway, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-12 performed contracting work for NYCHA as an owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-12 began performing no-bid purchase order work at East River Houses in or about March 2019. CW-12 was awarded at least approximately 11 no-bid contracts at East River Houses from in or about February 2020 through in or about April 2021, during the time in which DANNY MATOS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-12 paid an individual CW-12 knew as “Danny Matos” between approximately \$500 and \$700 in cash for approximately each of the no-bid contracts CW-12 received from MATOS at East River Houses. Based on this identifying information, and for the reasons explained below, I believe that the person CW-12 identified as “Danny Matos” is MATOS.

c. CW-12 began performing no-bid purchase order work at Pelham Parkway in or about November 2019. CW-12 was awarded at least approximately two no-bid contracts at Pelham Parkway in or about June 2022, during the time in which DANNY MATOS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-12 paid “Danny Matos” approximately \$700 in cash for approximately each of the no-bid contracts CW-12 received from MATOS at Pelham Parkway.

d. CW-12 understood, based on CW-12’s interactions with MATOS and with other NYCHA employees who similarly required payments for work, that if CW-12 did not make payments to MATOS, CW-12 would not be awarded additional no-bid contracts for work at East River Houses and Pelham Parkway.


e. On or about October 26, 2023, CW-12 reviewed photobooks containing a photograph of MATOS among photographs of dozens of other individuals, but did not identify the photograph of MATOS, nor did CW-12 identify any other photographs as appearing to be the individual CW-12 knew as “Danny Matos.” Nevertheless, I believe MATOS is the “Danny Matos” CW-12 described for several reasons, including those below.

f. CW-12 has a contact saved in CW-12’s cellphone with the name “Danny M” and the MATOS Number, and CW-12 confirmed that this is the contact for the NYCHA employee CW-12 knew as “Danny Matos” and paid in cash, as described above.

⁴ CW-12 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-12 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-12 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-12 know each other.


g. Based on my review of NYCHA databases, I have learned that there were no individuals with similar names to “Danny” or “Matos” working at East River Houses or Pelham Parkway during the time in which CW-12 received no-bid contracts at those developments. Moreover, NYCHA records indicate that MATOS “swiped in” at those developments, meaning that he was present at those developments during this period.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of DANNY MATOS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

DEXTER LINO,

Defendant.

24 MAG . 454

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, DEXTER LINO, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, LINO solicited and accepted a total of at least approximately \$70,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$245,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO**(Extortion Under Color of Official Right)**

2. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, DEXTER LINO, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code,

Section 1951(b)(3), to wit, LINO, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due LINO or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that DEXTER LINO, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

LINO’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of DEXTER LINO, the defendant:

- a. From at least in or about February 2017 through at least in or about November 2021, LINO was employed as an assistant superintendent at Latimer Gardens, a NYCHA development located in Queens, New York.
- b. LINO resigned from NYCHA in or about November 2021.

LINO’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-7”)² who has performed work at NYCHA’s Latimer Gardens, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-7” and “CW-8” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-7 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2019, CW-7 performed contracting work for NYCHA with various contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-7 began performing no-bid purchase order work at Latimer Gardens in or about April 2019. CW-7 was awarded at least approximately 30 no-bid contracts at Latimer Gardens from in or about April 2019 through in or about August 2022, during the time in which DEXTER LINO, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-7 paid LINO approximately 30% of the contract price for approximately each of the no-bid contracts CW-7 received from LINO at Latimer Gardens. The contracts were typically each worth between approximately \$5,000 and \$10,000, and CW-7 therefore paid LINO between approximately \$1,500 and \$3,000 per contract.

c. CW-7 understood, based on CW-7's interactions with LINO and with other NYCHA employees who similarly required payments for work, that if CW-7 did not make payments to LINO, CW-7 would not be awarded additional no-bid contracts for work at Latimer Gardens.

d. On or about July 20, 2023, CW-7 reviewed photobooks containing a photograph of LINO among photographs of dozens of other individuals. CW-7 correctly identified the photograph of LINO as "Dexter Lino," the NYCHA employee to whom CW-7 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-8"),⁴ who has performed work at NYCHA's Latimer Gardens and Bland, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2017, CW-8 performed contracting work for NYCHA as an owner of a contracting company (the "CW-8 Company") that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. The CW-8 Company was awarded at least approximately 45 no-bid contracts at Latimer Gardens and Bland from in or about April 2017 through in or about January 2020, during the time in which DEXTER LINO, the defendant, served as an assistant superintendent at Latimer Gardens. Although LINO is listed in NYCHA employment records as having been assigned during this period to Latimer Gardens (which is approximately eight-tenths of a mile from Bland), NYHCA records also show that LINO's identification badge "punched in" at Bland dozens of times between in or about April 2017 and in or about January 2020. During

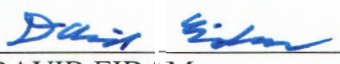
⁴ CW-8 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-8 has never worked at any of the contracting companies where CW-7 worked. Both CW-7 and CW-8 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-7 and CW-8 know each other.

that time, CW-8 paid LINO between approximately \$500 and \$1,000 in cash per contract for two or three of the no-bid contracts the CW-8 Company received at Latimer Gardens and Bland.

c. CW-8 understood, based on CW-8's interactions with LINO and with other NYCHA employees who similarly required payments for work, that if CW-8 did not make payments to LINO, CW-8 would not be awarded additional no-bid contracts for work at Latimer Gardens and Bland.

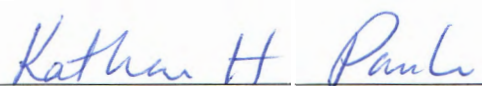
d. On or about October 11, 2023, CW-8 reviewed photobooks containing a photograph of LINO among photographs of dozens of other individuals. CW-8 identified the photograph of LINO as "Lino" at Latimer Gardens, the NYCHA employee to whom CW-8 had made payments in exchange for no-bid contracts from NYCHA.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of DEXTER LINO, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JOSE HERNANDEZ,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 455

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2014 through at least in or about September 2020, in the Southern District of New York and elsewhere, JOSE HERNANDEZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2014 through 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, HERNANDEZ solicited and accepted a total of at least approximately \$95,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$640,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2014 through at least in or about September 2020, in the Southern District of New York and elsewhere, JOSE HERNANDEZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, HERNANDEZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due HERNANDEZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JOSE HERNANDEZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2014 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

HERNANDEZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JOSE HERNANDEZ, the defendant:

a. From at least in or about April 2009 through at least in or about October 2019, HERNANDEZ was employed as an assistant superintendent at Washington and Lexington Houses, two jointly-managed NYCHA developments located near each other in New York, New York.

b. From at least in or about October 2019 through at least in or about June 2022, HERNANDEZ was employed as a superintendent at Moore Houses, a NYCHA development located in the Bronx, New York, which is managed by and shares a superintendent with the nearby NYCHA development St. Mary’s Park.

c. From at least in or about June 2022 through in or about the present, HERNANDEZ was employed as a superintendent at Marble Hill Houses, a NYCHA development located in the Bronx, New York.

HERNANDEZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Washington Houses and St. Mary’s Park, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-6” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I

a. Since at least in or about 2014, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Washington Houses in or about March 2014. CW-2 was awarded at least approximately 173 no-bid contracts at Washington Houses from in or about March 2014 through in or about July 2019, during the time in which JOSE HERNANDEZ, the defendant, served as an assistant superintendent in that NYCHA facility.⁴ During that time, after the first few contracts (for which CW-2 did not make payments to HERNANDEZ), CW-2 initially paid HERNANDEZ approximately \$500 cash and later, beginning in approximately 2018 or 2019, paid HERNANDEZ approximately \$1,000 cash for each \$5,000 no-bid contract CW-2 received from HERNANDEZ at Washington Houses.

c. CW-2 began performing no-bid purchase order work at St. Mary's Park in or about November 2019. CW-2 was awarded approximately 14 no-bid contracts at St. Mary's Park from in or about November 2019 through in or about September 2020, during the time in which HERNANDEZ served as a superintendent at Moore Houses (which, as noted above, is managed by and shares a superintendent with St. Mary's Park). During that time, CW-2 paid HERNANDEZ approximately 10% of the contract price for approximately all of the \$5,000 no-bid contracts—that is, approximately \$500 per contract—that CW-2 received from HERNANDEZ at St. Mary's Park.

d. CW-2 understood, based on CW-2's interactions with HERNANDEZ and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to HERNANDEZ, CW-2 would not be awarded additional no-bid contracts for work at the NYCHA developments at which HERNANDEZ worked.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of HERNANDEZ among photographs of dozens of other individuals. CW-2 identified the photograph of HERNANDEZ as "Jose Hernandez," whom CW-2 also knew as "David," at Washington Houses and Marble Hill Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.⁵

f. CW-2 has a contact saved in CW-2's cellphone with the name "Josh Hernandez David Super" and a particular phone number ending in -5437 (the "Hernandez

have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ NYCHA records include HERNANDEZ's name as the "deliver to person" in connection with approximately 12 of these contracts; although other contracts that CW-2 completed during this time period had a person other than HERNANDEZ listed as the "deliver to person," I understand from reviewing a report of another law enforcement agent's conversation with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into NYCHA's computerized system, and individuals other than the person listed as the "deliver to person" could have involvement in awarding or processing a particular no-bid contract.

⁵ CW-2, who is not a native-English speaker and who used an interpreter when speaking with the Government, pronounced the name "Jose" in a manner that sounded similar to "Josh" at times.

Number”), which CW-2 indicated is the contact for the NYCHA employee whom CW-2 paid at Washington, St. Mary’s, and Marble Hill Houses.⁶ Based on commercial databases which I have reviewed, I have confirmed that the Hernandez Number is a personal phone number associated with HERNANDEZ.

g. CW-2 has provided emails between CW-2 and HERNANDEZ’s NYCHA email address in which, among other things, HERNANDEZ asked CW-2 to send HERNANDEZ proposals for certain work to be performed at Washington Houses in or about December 2015 and April 2018 and at St. Mary’s Park in or about November 2020.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-6”),⁷ who has performed work at NYCHA’s St. Mary’s Park, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-6 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at St. Mary’s Park in or about August 2020. CW-6 was awarded approximately two no-bid contracts at St. Mary’s Park from in or about August 2020 through in or about September 2020, during the time in which JOSE HERNANDEZ, the defendant, served as a superintendent at Moore Houses. During that time, CW-6 paid HERNANDEZ for both of the approximately \$5,000 no-bid contracts CW-2 received from HERNANDEZ at St. Mary’s Park. Specifically, CW-6 paid HERNANDEZ at least approximately \$800 cash for the first contract and approximately \$1,000 cash for the second contract.⁸

⁶ CW-2 stated during a proffer with the Government that he believed an individual other than CW-2 had completed two contracts at Marble Hill Houses that had been awarded to a company with which CW-2 sometimes worked. However, CW-2 testified before the grand jury that CW-2 personally might have completed one or two contracts awarded by HERNANDEZ at Marble Hill.

⁷ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-6 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-6 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-6 know each other.

⁸ CW-6 recalled during one proffer with the Government that CW-6 had only paid HERNANDEZ \$800 for the first contract, HERNANDEZ had complained about the amount and wanted \$1,000 instead, and HERNANDEZ ceased giving CW-6 contracts after this. CW-6 recalled during a subsequent proffer that CW-6 had paid HERNANDEZ approximately \$200 in order to be awarded the first no-bid contract and then paid an additional \$800 (for a total of \$1,000) after the contract was awarded to CW-6.

c. CW-6 understood, based on his interactions with HERNANDEZ and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make payments to HERNANDEZ, CW-6 would not be awarded no-bid contracts at St. Mary's Park.

d. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of HERNANDEZ among photographs of dozens of other individuals. CW-6 correctly identified the photograph of HERNANDEZ as "Jose Hernandez" at St. Mary's Houses, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.


e. CW-6 has a contact saved in CW-6's cellphone with the name of HERNANDEZ's NYCHA email address and the Hernandez Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JOSE HERNANDEZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw

RASOVE RAMIREZ
Special Agent
U.S. Department of Housing and Urban Development
Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

24 MAG . 456

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

DESHON HOPKINS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2019 through at least in or about 2023, in the Southern District of New York and elsewhere, DESHON HOPKINS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, HOPKINS solicited and accepted a total of at least approximately \$13,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$125,000 or to perform work pursuant to blanket contracts.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2019 through at least in or about 2023, in the Southern District of New York and elsewhere, DESHON HOPKINS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, HOPKINS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due HOPKINS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that DESHON HOPKINS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

HOPKINS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of DESHON HOPKINS, the defendant:

- a. From at least in or about August 2017 through at least in or about January 2018, HOPKINS was employed as an assistant superintendent at Pink Houses, a NYCHA development located in Brooklyn, New York.
- b. From at least in or about July 2019 through at least in or about March 2022, HOPKINS was employed as an assistant superintendent at Fulton Houses, a NYCHA development located in New York, New York.
- c. From at least in or about March 2022 through the present, HOPKINS was employed as a superintendent at Taft Houses, a NYCHA development located in New York, New York.

HOPKINS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-13”)² who has

² The cooperating witnesses referenced in this Complaint are designated as “CW-13” and “CW-1” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

performed work at NYCHA's Fulton, and Taft Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-13 performed both no-bid and blanket contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-13 began performing no-bid purchase order work at Fulton Houses in or about November 2020. CW-13 was awarded at least approximately 10 no-bid contracts at Fulton Houses from in or about November 2020 through in or about November 2021, during the time in which DESHON HOPKINS, the defendant, served as an assistant superintendent at that NYCHA facility.⁴ When CW-13 initially sought to be awarded no-bid contracts, HOPKINS told CW-13, in substance and in part, that HOPKINS would award CW-13 no-bid contracts if CW-13 could "take care of" HOPKINS. Once CW-13 was awarded a contract, HOPKINS called CW-13 and asked CW-13, in substance and in part, "when are you coming to see me?", which CW-13 understood was a request by HOPKINS for CW-13 to come pay HOPKINS for awarding the contract. From in or about November 2020 through in or about November 2021, CW-13 paid HOPKINS approximately 10% of the contract price for all or nearly all of the no-bid contracts CW-13 received from HOPKINS at Fulton Houses. Eight of the contracts were worth approximately \$5,000 each, one was worth approximately \$6,000, and one was worth approximately \$10,000, so CW-13 therefore paid HOPKINS between approximately \$500 and \$1,000 per contract.

c. CW-13 was also awarded approximately five no-bid contracts at Taft Houses between in or about August 2021 and in or about June 2022 (four of which were approximately \$10,000 contracts and one of which was an approximately \$8,000), and paid HOPKINS approximately 10% of the contract value for each.⁵

d. HOPKINS also asked CW-13 for payments related to work CW-13 performed pursuant to blanket contracts that CW-13 had been awarded by NYCHA. Specifically, CW-13 paid HOPKINS for certain blanket contract work CW-13 performed at Taft Houses in or

³ CW-13 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview.

⁴ NYCHA records include HOPKINS's name as the "requestor" in connection with all of these contracts. NYCHA records indicate all approximately ten no-bid contracts were "closed" (which indicates a NYCHA employee approved the completed work).

⁵ Although HOPKINS is officially listed as employed at Taft Houses at the time of only the last of these contracts (in or about June 2022), NYCHA records show that HOPKINS "punched in" at Taft Houses on days shortly before or on the date the other no-bid contracts were awarded to CW-13 (e.g., on or about August 24 and August 26, 2021, HOPKINS punched in at Taft Houses, and a no-bid contract for work at Taft Houses was awarded to CW-13 on or about August 27, 2021), which suggests HOPKINS was working at Taft Houses on certain days even during the time he was officially assigned to Fulton Houses.

about 2022, at Johnson Houses in or about 2023, and at Jackie Robinson Houses in or about 2023.⁶ Although HOPKINS was not employed at Johnson Houses or Jackie Robinson Houses, HOPKINS became aware that CW-13 had been awarded work at those developments pursuant to the blanket contract and called CW-13. HOPKINS told CW-13, in substance and in part, that CW-13 had received the contracts because of HOPKINS and that CW-13 therefore needed to pay HOPKINS.

e. Additionally, CW-13 was awarded approximately three no-bid contracts at Pink Houses between in or about April 2021 and in or about February 2022, and paid HOPKINS approximately 10% for each contract, which were approximately \$5,000, \$6,000, and \$10,000 each. HOPKINS was not employed at Pink Houses at the time, but HOPKINS referred CW-13 to the superintendent at Pink Houses (the "Pink Houses Superintendent") who subsequently awarded CW-13 the no-bid contracts. After CW-13 was awarded the contracts, HOPKINS called CW-13 and said, in substance and in part, that HOPKINS was coming to get the money. HOPKINS further stated, in substance and in part, that HOPKINS was going to give the money to the Pink Houses Superintendent, although CW-13 does not know if HOPKINS in fact gave the Pink Houses Superintendent any money or not.⁷

f. CW-13 understood, based on his interactions with HOPKINS and with other NYCHA employees who similarly required payments for work, that if CW-13 did not make payments to HOPKINS, CW-13 would not be awarded additional no-bid contracts for work at the developments at which HOPKINS worked.

g. On or about November 20, 2023, CW-13 reviewed photobooks containing a photograph of HOPKINS among photographs of dozens of other individuals. CW-13 correctly identified the photograph of HOPKINS as "Deshon Hopkins," the NYCHA employee to whom CW-13 had made payments in exchange for no-bid contracts from NYCHA.

h. CW-13 has a contact saved in CW-13's cellphone with the name "Fulton Asst Super Hopkins" and a particular phone number ending in -9538 (the "Hopkins Number"). Based on NYCHA records which I have reviewed, I have confirmed that the Hopkins Number is the NYCHA cellphone number used by HOPKINS.

i. CW-13 provided approximately 40 emails between CW-13 and HOPKINS's NYCHA email address, which include proposals for no-bid contracts CW-13 was seeking to be awarded and statements of services for no-bid contract work completed by CW-13 at Fulton Houses and Taft Houses.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-1"),⁸ who has

⁶ NYCHA records show that various blanket contracts were awarded to CW-13 in or about 2021, 2022, and 2023.

⁷ The Pink Houses Superintendent has been simultaneously charged with bribery and extortion offenses related to her receipt of money in exchange for NYCHA contracts at Pink Houses.

⁸ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-1 has never worked at any of the contracting companies where CW-13 worked. Both CW-1 and CW-13 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and

performed work at NYCHA's Fulton Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-1 performed contracting work for NYCHA as an operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. As described below, an assistant superintendent at Fulton Houses whom CW-1 identified as "Deshon Hopkins" solicited and accepted money from CW-1 for work performed pursuant to a blanket contract at that development. CW-1 has a contact saved in CW-1's cellphone with the name "Assi Super Shon Fulton" and the Hopkins Number.⁹

c. In or about 2019, CW-1 completed certain work at Fulton Houses pursuant to a blanket contract that CW-1 had received from NYCHA.¹⁰ After CW-1 completed the work, HOPKINS required CW-1 to pay HOPKINS approximately \$1,000; specifically, HOPKINS told CW-1, in substance and in part, "I need \$1,000 for that job to sign off." After CW-1 paid HOPKINS, HOPKINS signed and submitted CW-1's statement of services, indicating the job was approved.

d. CW-1 understood, based on his interactions with HOPKINS and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make a payment to HOPKINS, HOPKINS would not have approved CW-1's work at Fulton Houses.

grand jury testimony in connection with this investigation, and I have no reason to believe that CW-1 and CW-13 know each other.

⁹ On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of HOPKINS among photographs of dozens of other individuals, but did not identify the photograph of HOPKINS, nor did CW-1 identify any other photographs as appearing to be the individual CW-1 knew as "Deshon Hopkins."

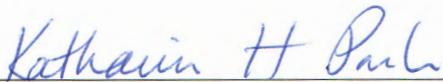
¹⁰ NYCHA records show that certain blanket contract work at Fulton Houses was "approved" for CW-1 in or about 2019; the contract is currently listed as "open."

WHEREFORE, I respectfully request that a warrant be issued for the arrest of DESHON HOPKINS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of the Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

AUSAs: Catherine Ghosh, Jerry Fang, Meredith Foster, Sebastian Swett, Jacob Fiddelman

24 MAG . 457

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

MARC BUCKNER,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

(Solicitation and Receipt of a Bribe by Agent of Organization Receiving Federal Funds)

1. From at least in or about 2013 through at least in or about 2022, in the Southern District of New York and elsewhere, MARC BUCKNER, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2013 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, BUCKNER solicited and accepted a total of at least approximately \$25,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$235,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2013 through at least in or about 2022, in the Southern District of New York and elsewhere, MARC BUCKNER, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, BUCKNER, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due BUCKNER or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that MARC BUCKNER, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2013 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

BUCKNER'S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of MARC BUCKNER, the defendant:

a. From at least in or about May 2013 through at least in or about October 2014, BUCKNER was employed as a superintendent at Wagner Houses, a NYCHA development located in Manhattan, New York.

b. From at least in or about November 2014 through at least in or about March 2017, BUCKNER was employed as a superintendent at Grant Houses, a NYCHA development located in Manhattan, New York.

c. From at least in or about March 2017 through at least in or about February 2019, BUCKNER was employed as a superintendent at Gompers Consolidated, a NYCHA development located in Manhattan, New York.

d. From at least in or about February 2019 through at least in or about January 2024, BUCKNER was employed as a superintendent at Vladeck Houses, a NYCHA development located in Manhattan, New York.

BUCKNER'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)² who has performed work at NYCHA’s Vladeck Houses, among other developments,³ I have learned the following, in substance and in part:

² This Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2019, CW-1 performed contracting work for NYCHA as an operator of a contracting company (the "CW-1 Company") that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 was awarded at least approximately 13 no-bid contracts at Vladeck Houses from in or about July 2019 through in or about May 2022, during the time in which MARC BUCKNER, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-1 paid BUCKNER approximately 10% of the contract price for approximately five to ten of the no-bid contracts CW-1 received from BUCKNER at Vladeck Houses. Those contracts were each worth approximately \$5,000, and CW-1 therefore paid BUCKNER approximately \$500 in cash per contract.

c. CW-1 understood, based on CW-1's interactions with BUCKNER and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to BUCKNER, CW-1 would not be awarded additional no-bid contracts for work at Vladeck Houses. Specifically, BUCKNER told CW-1, in sum and substance, that CW-1 had to "take care of" BUCKNER in exchange for awarding CW-1 work.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of BUCKNER among photographs of dozens of other individuals. CW-1 correctly identified the photograph of BUCKNER as "Marc Buckner" at Vladeck Houses, the NYCHA employee to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-1 has a contact saved in CW-1's cellphone with the name "Super Vladeck Mark" and a particular phone number ending in -3570 (the "BUCKNER Number"). Based on my review of commercial databases, I have confirmed that the BUCKNER Number is associated with BUCKNER.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-2"),⁴ who has performed work at NYCHA's Wagner Houses, Grant Houses, Gompers Consolidated, and Vladeck Houses, among other developments, I have learned the following, in substance and in part:

⁴ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. CW-2 has never worked at any of the contracting companies where CW-1 worked. It appears CW-1 and CW-2 know each other as competitors in the contracting business, but CW-1 has stated that CW-1 and CW-2 have never discussed paying NYCHA employees. Both CW-1 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

a. Since at least in or about 2013, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Wagner Houses in or about July 2013. CW-2 was awarded at least approximately 27 no-bid contracts at Wagner Houses from in or about July 2013 through in or about August 2014, during the time in which MARC BUCKNER, the defendant, served as a superintendent at that NYCHA facility. CW-2 paid BUCKNER separate payments of approximately \$500 in cash for approximately ten of the no-bid contracts that CW-2 received at Wagner Houses.

c. During this time, CW-2 also received no-bid contracts from a different NYCHA employee at Wagner Houses, who did not demand bribe payments. When BUCKNER learned that CW-2 received contracts from this other NYCHA employee, BUCKNER had CW-2 pay an additional \$1,500 to BUCKNER for this additional work, even though BUCKNER had not approved it.

d. CW-2 began performing no-bid purchase order work at Grant Houses in or about January 2015. CW-2 was awarded at least approximately 14 no-bid contracts at Grant Houses from in or about January 2015 through in or about February 2017, during the time in which BUCKNER served as a superintendent at that NYCHA facility. CW-2 paid BUCKNER separate payments of approximately \$500 in cash for each of the no-bid contracts that CW-2 received at Grant Houses.

e. CW-2 began performing no-bid purchase order work at Gompers Consolidated in or about May 2017. CW-2 was awarded at least approximately 13 no-bid contracts at Gompers Consolidated from in or about May 2017 through in or about January 2019, during the time in which BUCKNER served as a superintendent at that NYCHA facility. CW-2 paid BUCKNER separate payments of approximately \$500 in cash for each of the no-bid contracts that CW-2 received at Gompers Consolidated.

f. CW-2 began performing no-bid purchase order work at Vladeck Houses in or about October 2018. CW-2 was awarded at least approximately 16 no-bid contracts at Vladeck Houses from in or about February 2019 through in or about March 2020, during the time in which BUCKNER served as a superintendent at that NYCHA facility. CW-2 paid BUCKNER separate payments of approximately \$500 in cash for several of the no-bid contracts that CW-2 received at Vladeck Houses.⁵

g. CW-2 understood, based on CW-2's interactions with BUCKNER and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to BUCKNER, CW-2 would not be awarded additional no-bid contracts for work at these NYCHA developments.

h. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of BUCKNER among photographs of dozens of other individuals. CW-2 identified the photograph of BUCKNER as "Marc Bruckner" at Wagner Houses, the NYCHA employee to

⁵ During this same time, CW-2 paid a separate NYCHA employee for other no-bid contracts at Vladeck Houses.

whom CW-2 had made payments in exchange for no-bid contracts from NYCHA. At a subsequent meeting, CW-2 recalled the individual's name was "Marc Buckner."

10. Based on my review of financial records for MARC BUCKNER, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about June 2020 and in or about November 2023, BUCKNER made approximately 44 cash deposits totaling approximately \$44,290 into a particular bank account ("Account-1").

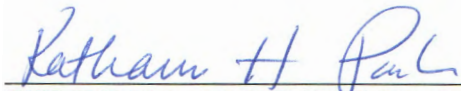
b. BUCKNER's cash deposits into Account-1 include deposits during the time period in which CW-1 paid him approximately \$500 per no-bid contract. Specifically, on or about December 10, 2021, BUCKNER deposited \$500 in cash into Account-1 in two separate deposits; and on or about June 1, 2021, BUCKNER deposited approximately \$500 in cash into Account-1 in two separate deposits.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MARC BUCKNER, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to before me this 1 day of February, 2024.



THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

NENA HUNTLEY,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 458

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about April 2019 through at least in or about April 2021, in the Southern District of New York and elsewhere, NENA HUNTLEY, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019, 2020, and 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, HUNTLEY solicited and accepted bribes worth a total of at least approximately \$2,100 in exchange for arranging for a certain contractor to receive no-bid contracts from NYCHA worth a total of at least approximately \$28,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about April 2019 through at least in or about April 2021, in the Southern District of New York and elsewhere, NENA HUNTLEY, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, HUNTLEY, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due HUNTLEY or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

1. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

2. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

3. As set forth in more detail below, there is probable cause to believe that NENA HUNTLEY, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from a contractor in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted a contractor under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

4. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual since at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

NENA HUNTLEY’S EMPLOYMENT BY NYCHA

5. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of NENA HUNTLEY, the defendant:

a. From at least on or about January 7, 2019, through at least on or about May 22, 2022, HUNTLEY was employed as a superintendent at Jefferson Houses, a NYCHA development located in New York, New York.

NENA HUNTLEY’S SOLICITATION AND RECEIPT OF PAYMENTS

6. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-3”)² who has performed work at NYCHA’s Jefferson Houses, and documents provided by CW-3, among other developments,³ I have learned the following, in substance and in part:

a. From in or about 2018 through in or about 2021, CW-3 performed contracting work for NYCHA under a contracting company (the “CW-3 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-3 began working at Jefferson Houses in or about April 2018, performing work primarily for no-bid contracts. CW-3 performed work on no-bid contracts awarded by multiple superintendents at Jefferson Houses, including for contracts awarded by HUNTLEY between in or about January 2019 and in or about June 2021. From in or about January 2019 through in or about June 2021, CW-3 was awarded and completed approximately 20 no-bid

² The cooperating witness referenced in this Complaint is designated as “CW-3” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-3 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during an additional interview pursuant to an agreement to extend the same immunity protections to the interview.

contracts at Jefferson Houses during the time in which HUNTLEY served as one of that facility's superintendents.

c. HUNTLEY did not demand payments from CW-3 in connection with the first approximately three or four no-bid contracts that CW-3 completed for HUNTLEY. However, after those initial contracts were completed, HUNTLEY told CW-3 that CW-3 must pay her as a condition for HUNTLEY awarding CW-3 additional contracts. HUNTLEY told CW-3, in substance and in part, "Take care of me and I'll give you more work." Afterward, CW-3 paid HUNTLEY on multiple occasions and, in exchange, HUNTLEY awarded to CW-3 no-bid contracts for work at Jefferson Houses.

d. In all, CW-3 made at least seven payments to HUNTLEY in order to obtain no-bid contracts for work at Jefferson Houses. The payments that CW-3 made to HUNTLEY varied from anywhere between approximately \$300 to \$1,000. All payments were made in cash.

e. CW-3 understood, based on CW-3's interactions with HUNTLEY and other NYCHA employees who similarly required payments for awarding no-bid contracts for work at NYCHA facilities, that if CW-3 did not make payments to HUNTLEY, HUNTLEY would not have awarded CW-3 additional no-bid contracts.

f. On or about October 4, 2023, CW-3 reviewed a photobook containing a photograph of NENA HUNTLEY, the defendant, among photographs of dozens of other individuals. CW-3 correctly identified a photograph of HUNTLEY as "Nina," the superintendent at Jefferson Houses to whom CW-3 made payments in exchange for future no-bid contracts.

g. CW-3 has a contact saved in CW-3's cellphone with the name "Nina Parsanal [sic] No" and a particular phone number ending in -8756 (the "HUNTLEY Number"). Based on subscriber and NYCHA Human Resources records which I have reviewed, I have confirmed that the HUNTLEY Number is HUNTLEY's personal ("parsanal"), as opposed to work, phone number.

h. CW-3 provided five email messages in which HUNTLEY, using her NYCHA email address, emailed CW-3 on specific dates between in or about June 2020 and in or about April 2021 (the "HUNTLEY Emails"). In each of the HUNTLEY Emails, HUNTLEY appears—based on a review of the body and/or attachments to the HUNTLEY Emails—to send or forward to CW-3 information about a purchase order for a no-bid contract. For example, in one email in August 2020, HUNTLEY forwarded CW-3 an email from NYCHA to HUNTLEY, the body of which stated in part, "Please review the purchase order and any other document attached to this message." NYCHA records show that on the same date as each of the five HUNTLEY Emails, the CW-3 Company was approved to conduct work as part of a no-bid contract at the Jefferson Houses. CW-3 paid HUNTLEY in connection with each of these no-bid contracts.

7. Based on my review of financial records for the CW-3 Company and NENA HUNTLEY, the defendant, a financial analysis of such records, and my review of documents provided by NYCHA and CW-3, I have learned the following:

a. From in or about May 2019 through in or about September 2022, HUNTLEY made approximately 79 cash deposits of \$100 or more, totaling approximately \$27,000, into a particular checking account ("Account-1").

b. HUNTLEY's cash deposits into Account-1 include deposits during the time period when CW-3 paid her between \$300 and \$1,000 in cash per purchase order. For example, between June 2020 and May 2021 (*i.e.*, around the dates of the HUNTLEY Emails), HUNTLEY made approximately \$7,600 in cash deposits of \$100 or more into Account-1, including cash deposits in the amounts of \$1,500, \$1,100, \$800, and \$300.

c. Several of the cash deposits were made around the time that CW-3 was awarded work pursuant to no-bid contracts at Jefferson Houses. For example:

- i. On or about June 24, 2019 and June 25, 2019, CW-3 was awarded two approximately \$5,000 no-bid contracts for work at Jefferson Houses and CW-3 Company bank records show that on or about June 24, 2019, \$2,960.00 in cash was withdrawn from the CW-3 Company bank account. Subsequently, on or about July 7, 2019 and July 8, 2019, HUNTLEY deposited \$300 and \$150 in cash, respectively, into Account-1.
- ii. On or about May 7, 2021, CW-3 was awarded an approximately \$6,700 no-bid contract for work at Jefferson Houses and CW-3 Company bank records show that on or about May 7, 2021, \$5,330.00 was withdrawn from the CW-3 Company bank account. Two days later, on or about May 9, 2021, HUNTLEY deposited \$120.00 in cash into Account-1.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of NENA HUNTLEY, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw


RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

MICHAEL JOHNSON,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 459

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, MICHAEL JOHNSON, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, JOHNSON solicited and accepted a total of at least approximately \$48,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$225,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2018 through at least in or about 2022, in the Southern District of New York and elsewhere, MICHAEL JOHNSON, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, JOHNSON, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due JOHNSON or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that MICHAEL JOHNSON, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

JOHNSON’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of MICHAEL JOHNSON, the defendant:

a. From at least in or about April 2018 through at least in or about January 2019, JOHNSON was employed as an assistant superintendent at Vladeck Houses, a NYCHA development located in Manhattan, New York.

b. From at least in or about January 2019 through at least in or about March 2021, JOHNSON was employed as a superintendent at Breukelen, a NYCHA development located in Brooklyn, New York.

c. From at least in or about March 2022 through at least in or about January 2023, JOHNSON was employed as a superintendent at Cypress Hill Houses, a NYCHA development located in Brooklyn, New York.²

d. On or about January 19, 2023, JOHNSON retired from NYCHA.

JOHNSON’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-22”),³ who has performed work at NYCHA’s Vladeck Houses, Breukelen, and Cypress Hill Houses, among other developments,⁴ I have learned the following, in substance and in part:

² From in or about March 2021 through at least in or about March 2022, JOHNSON was employed as a superintendent at another NYCHA development.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-22” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-22 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2017, CW-22 performed contracting work for NYCHA with various contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-22 began performing no-bid purchase order work at Vladeck Houses in or about October 2017. CW-22 was awarded at least approximately six no-bid contracts at Vladeck Houses from in or about April 2018 through in or about November 2018, during the time in which MICHAEL JOHNSON, the defendant, served as an assistant superintendent at that NYCHA facility. After CW-22 had performed the first contract for JOHNSON at Vladeck Houses, JOHNSON told CW-22, in sum and substance, that JOHNSON would continue to give CW-22 contracts if CW-22 took care of JOHNSON, which CW-22 understood to be a request for payments. From in or about April 2018 through in or about November 2018, CW-22 paid JOHNSON approximately \$750 in cash for approximately five of the no-bid contracts CW-22 received from JOHNSON at Vladeck Houses.

c. CW-22 began performing no-bid purchase order work at Breukelen in or about January 2019. CW-22 was awarded at least approximately 35 no-bid contracts at Breukelen from in or about January 2019 through in or about March 2021, during the time in which JOHNSON served as a superintendent at that NYCHA facility. During that time, CW-22 paid JOHNSON approximately \$1,000 in cash for each of the approximately 35 no-bid contracts CW-22 received from JOHNSON at Breukelen.

d. CW-22 began performing no-bid purchase order work at Cypress Hill Houses in or about May 2022. CW-22 was awarded at least approximately six no-bid contracts at Cypress Hill Houses from in or about May 2022 through in or about December 2022, during the time in which JOHNSON served as a superintendent at that NYCHA facility. During that time, CW-22 paid JOHNSON approximately \$1,000 in cash for each of approximately four of the no-bid contracts CW-22 received from JOHNSON at Cypress Hill Houses.

e. CW-22 understood, based on CW-22's interactions with JOHNSON and with other NYCHA employees who similarly required payments for work, that if CW-22 did not make payments to JOHNSON, CW-22 would not be awarded additional no-bid contracts for work at the developments where JOHNSON worked.

f. On or about June 26, 2023, CW-22 reviewed photobooks containing a photograph of JOHNSON, among photographs of dozens of other individuals. CW-22 correctly identified the photograph of JOHNSON as "Michael Johnson" at Breukelen and Cypress Hill Houses, the NYCHA employee to whom CW-22 had made payments in exchange for no-bid contracts from NYCHA.

g. CW-22 has a contact saved in CW-22's cellphone with the name "Michael Johnson" and two phone numbers saved: (i) one phone number ending in -5900 (the "JOHNSON Personal Number"); and (ii) one phone number ending in -7814. Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the JOHNSON Personal Number is a personal phone number used by JOHNSON. Based on commercial databases which I have reviewed, the number ending in -7814 is an inactive number.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”) who has performed work at NYCHA’s Breukelen, among other developments,⁵ I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-24 performed contracting work for NYCHA as an owner of a contracting company (the “CW-24 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Breukelen in or about February 2019. The CW-24 Company was awarded at least approximately nine no-bid contracts at Breukelen from in or about February 2019 through in or about June 2019, during the time in which MICHAEL JOHNSON, the defendant, served as a superintendent at that NYCHA facility. JOHNSON told CW-24, in sum and substance, that JOHNSON had contracts to award at Breukelen but that JOHNSON charged contractors \$500 per contract. CW-24 understood, based on this conversation with JOHNSON and CW-24’s interactions with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to JOHNSON, CW-24 would not be awarded additional no-bid contracts for work at Breukelen. From in or about February 2019 through in or about June 2019, CW-24 paid JOHNSON approximately \$500 in cash for approximately each of the approximately nine no-bid contracts CW-24 received from JOHNSON at Breukelen.

c. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of JOHNSON, among photographs of dozens of other individuals. CW-24 identified the photograph of JOHNSON as “Michael” at Breukelen, the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

⁵ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. CW-24 has never worked at any of the contracting companies where CW-22 worked. Both CW-22 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-22 and CW-24 know each other.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MICHAEL JOHNSON, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

TARA LUCAS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 460

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about February 2019 through at least in or about March 2022, in the Southern District of New York and elsewhere, TARA LUCAS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, LUCAS solicited and accepted a total of at least approximately \$14,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$50,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about February 2019 through at least in or about March 2022, in the Southern District of New York and elsewhere, TARA LUCAS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, LUCAS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due LUCAS or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that TARA LUCAS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

LUCAS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of TARA LUCAS, the defendant:

a. From at least in or about January 2019 through at least in or about September 2019, LUCAS was employed as an assistant superintendent at Taylor Street – Wythe Avenue Houses (“Taylor-Wythe”), a NYCHA development located in Brooklyn, New York. Until in or about 2020, Taylor-Wythe managed a nearby development called Independence Towers.

b. From at least in or about September 2019 through at least in or about March 2022, LUCAS was employed as a superintendent at Cypress Hills, a NYCHA development located in Brooklyn, New York.

LUCAS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Cypress Hills, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5,” “CW-7,” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have worked together for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

a. Since at least in or about 2019, CW-5 and CW-7 performed contracting work for NYCHA as partners with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-5 and CW-7 began performing no-bid purchase order work at Cypress Hills in or about January 2020 and were awarded at least approximately six no-bid contracts at Cypress Hills from in or about January 2020 through in or about March 2022. During that time, CW-5 paid TARA LUCAS, the defendant, approximately 30% of the contract price in cash for approximately all of the no-bid contracts CW-5 and CW-7 received from LUCAS at Cypress Hills.⁴ Specifically, CW-5 knew LUCAS from a prior development at which LUCAS had worked, and had given a business card to LUCAS at Cypress Hills after she transferred to that development. LUCAS then told CW-5, in substance and in part, that CW-5 had to “take care of” LUCAS, which CW-5 understood was a reference to paying LUCAS for no-bid contracts. CW-5 paid LUCAS approximately \$1,500 per contract for contracts worth approximately \$5,000, and approximately \$3,000 per contract for contracts worth approximately \$10,000.⁵

c. CW-5 and CW-7 understood, based on their interactions with LUCAS and with other NYCHA employees who similarly required payments for work, that if CW-5 and CW-7 did not make payments to LUCAS, they would not be awarded additional no-bid contracts for work at Cypress Hills.

d. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of LUCAS among photographs of dozens of other individuals. CW-5 identified the photograph of LUCAS as “Tara,” the NYCHA employee to whom CW-5 had made payments in exchange for no-bid contracts from NYCHA at Cypress Hills.

e. On or about July 20, 2023 (in a different meeting than the one with CW-5), CW-7 reviewed photobooks containing a photograph of LUCAS among photographs of dozens of other individuals. CW-7 identified the photograph of LUCAS as looking like “Tara Lucas,” the NYCHA employee to whom CW-5 had made payments in exchange for no-bid contracts.⁶

f. CW-7 has a contact saved in CW-7’s cellphone with the name “Tara Lucas Cypress Hill” and a particular phone number ending in -6823 (the “Lucas Number”). Based on

⁴ CW-5 stated that CW-5 paid LUCAS for every no-bid contract CW-5 received at Cypress Hills, and at other times during interviews estimated that the number of contracts for which CW-5 had paid LUCAS was between two and four.

⁵ Of the six no-bid contracts CW-5 and CW-7 received at Cypress Hill, four were approximately \$5,000 each, one was approximately \$7,500, and one was approximately \$10,000. Although the \$10,000 contract has an “approved date” that is two days after LUCAS was transferred to a different position outside of Cypress Hills, CW-5’s proposal for that no-bid contract is dated approximately six days earlier, while LUCAS was still superintendent at Cypress Hills.

⁶ Although CW-5 was the individual who typically gave the payment to NYCHA employees like LUCAS, CW-5 and CW-7 typically went to the bank together to obtain the money and discussed the payments they needed to make to certain NYCHA employees.

subscriber records which I have reviewed, I have confirmed that the Lucas Number is a personal phone number subscribed to by LUCAS.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”),⁷ who has performed work at NYCHA’s Independence Towers and Cypress Hills developments, among other developments, I have learned the following, in substance and in part:

a. Since at least in or around 2019, CW-24 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 was awarded at least approximately one no-bid contract at Independence Towers in or about February 2019, at which time TARA LUCAS, the defendant, served as a superintendent at Taylor-Wythe (which, as noted above, managed Independence Towers).⁸ CW-24 paid LUCAS approximately \$1,000 in cash for the no-bid contract because, after CW-24 was awarded the contract, LUCAS told CW-24, in substance and in part, “you can do it after you pay me \$1,000.”

c. CW-24 was awarded at least approximately five no-bid contracts at Cypress Hills from in or about March 2020 through in or about June 2020, during the time in which LUCAS served as a superintendent at that NYCHA facility. During that time, CW-24 paid LUCAS approximately \$1,000 to \$1,500 in cash for approximately two to three of the no-bid contracts CW-24 received from LUCAS at Cypress Hills.

d. CW-24 understood, based on CW-24’s interactions with LUCAS and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to LUCAS, CW-24 would not be awarded additional no-bid contracts for work at the developments at which LUCAS worked.

e. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of LUCAS among photographs of dozens of other individuals. CW-24 identified the photograph of LUCAS as looking like “Tara” from Cypress Hills and Taylor-Wythe/Independence Towers, the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

⁷ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-24 has never worked at any of the contracting companies where CW-5 and CW-7 worked. CW-24 was interviewed separately from CW-5 and CW-7 and instructed by law enforcement not to discuss the substance of the interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-24 knows CW-5 or CW-7.

⁸ NYCHA records which I have reviewed indicate that CW-24 was awarded one no-bid contract at Independence Towers, but CW-24 recalled being awarded two to three contracts by LUCAS at that development.

10. Based on my review of financial records for TARA LUCAS, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about May 2019 and in or about April 2021 (during the time period when CW-5, CW-7, and CW-24 paid LUCAS approximately \$1,000 to \$1,500 cash for certain no-bid contracts), LUCAS made approximately 27 cash deposits in even-dollar amounts ranging from \$400 to \$2,200 – including four deposits of exactly \$1,000 and two deposits of exactly \$1,500 – totaling approximately \$23,000, into a particular bank account.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of TARA LUCAS, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw


RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

VINCENT MACHADO,
a/k/a “Vincent Arcelay,”

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 461

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about March 2019 through at least in or about June 2023, in the Southern District of New York and elsewhere, VINCENT MACHADO, a/k/a “Vincent Arcelay,”¹ the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MACHADO solicited and accepted a total of at least approximately \$17,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$170,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

¹ At all times relevant to this Complaint, the defendant was known as “Vincent Machado.” At some point between in or about October 2023 and January 2024, the defendant’s name was changed in NYCHA Human Resources records to “Vincent Arcelay,” although no other identifying information was changed (such as address, social security number, or NYCHA employee identification number).

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about March 2019 through at least in or about June 2023, in the Southern District of New York and elsewhere, VINCENT MACHADO, a/k/a “Vincent Arcelay,” the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MACHADO, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MACHADO or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that VINCENT MACHADO, a/k/a “Vincent Arcelay,” the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA's operations are funded, in part, by grants from the United States Department of Housing and Urban Development ("HUD"). In each year from at least 2019 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA's budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions "in a manner providing full and open competition." As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a "micro purchase," and which contractors often refer to as a "purchase order" or "PO" contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This "no-bid" process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor's work satisfactory, the NYCHA staff member approves the contractor's "statement of services" and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor's bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the "Manual"), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that "Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board² from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.

² The NYC Conflicts of Interest Board defines a "valuable gift" as "any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form."

- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MACHADO’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of VINCENT MACHADO, a/k/a “Vincent Arcelay,” the defendant:

a. From at least in or about November 2018 through at least in or about March 2020, MACHADO was employed as a superintendent in the NYCHA Mixed Finance Property Management Department.

b. From at least in or about March 2020 through at least in or about November 2020, MACHADO was employed as a superintendent at Straus Houses, a NYCHA development located in New York, New York.³

³ Although employment records do not indicate MACHADO was ever assigned to Amsterdam Houses, NYCHA records show that his identification badge was used to “punch in” to the maintenance facility at Amsterdam Houses – and not Straus Houses, the development to which his employment records indicate he was assigned – between at least in or about May 1, 2020, and July 6, 2020, which suggests MACHADO was working at Amsterdam Houses during this time even though he was administratively assigned to Straus Houses.

c. From at least in or about November 2020 through at least in or about May 2021, MACHADO was employed as a superintendent at Frederick E. Samuel Apartments, a NYCHA development located in New York, New York.

d. From at least in or about May 2021 through at least in or about February 2022, MACHADO was employed as a superintendent at East River Houses, a NYCHA development located in New York, New York.

e. From at least in or about February 2022 through at least in or about May 2022, MACHADO was employed as a superintendent at Wilson-White Houses, jointly-managed NYCHA developments located in New York, New York.

f. From at least in or about June 2022 through the present (with the exception of an approximately 2-week period between August and September 2023), MACHADO was employed as a superintendent at Queensbridge North, a NYCHA development located in Queens, New York.

MACHADO'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-4”)⁴ who has performed work at NYCHA’s Straus, East River, Wilson, Amsterdam, and Queensbridge North Houses, among other developments,⁵ I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-4 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-4 began performing no-bid purchase order work at Straus Houses in or about March 2019. CW-4 was awarded approximately four no-bid contracts at Straus Houses from in or about March 2019 through in or about April 2020, three of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work.⁶ CW-4 paid

⁴ The cooperating witness referenced in this Complaint is designated as “CW-4” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁵ CW-4 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

⁶ Although VINCENT MACHADO, a/k/a “Vincent Arcelay,” the defendant, is not listed in NYCHA employment records as having been employed at Straus Houses at the time of the two closed 2019 no-bid contracts, NYCHA records list MACHADO as the “receiver” for both contracts, indicating that MACHADO nonetheless had some involvement in those contracts. MACHADO was employed as superintendent at Straus Houses at the time of the 2020 no-bid contract; although MACHADO is not listed as “receiver” for that contract, I understand from reviewing a report of another law enforcement agent’s conversation with a NYCHA employee that it was not uncommon for various individuals at a development to enter purchase orders into

VINCENT MACHADO, a/k/a “Vincent Arcelay,” the defendant, approximately \$500 in cash per contract for approximately three no-bid contracts at Straus Houses.⁷

c. CW-4 began performing no-bid purchase order work at Amsterdam Houses – a NYCHA development in New York, New York – in or about June 2020, and was awarded approximately four \$5,000 purchase order contracts from in or about June through in or about July 2020. CW-4 paid MACHADO approximately \$500 per contract for three of the four no-bid contracts that CW-4 completed at Amsterdam Houses.⁸ When requesting payments, MACHADO told CW-4, in sum and substance, “You make money, you have to take care of me,” and “if you take care of me, I’ll give you another job.”⁹

d. CW-4 began performing no-bid purchase order work at Wilson Houses in or about April 2019. CW-4 was awarded approximately eight contracts at Wilson Houses between approximately April 2022 and June 2022.¹⁰ For at least three no-bid contracts, CW-4 paid MACHADO approximately \$500 cash per contract for contracts worth approximately \$5,000 and approximately \$1,000 cash per contract for contracts worth approximately \$10,000. When requesting payments, MACHADO told CW-4, in substance and in part, “Take care of me.”

e. CW-4 began performing no-bid purchase order work at Queensbridge North in or about 2016. CW-4 was awarded approximately 20 contracts at Queensbridge North between approximately June 2022 and June 2023, during the time in which MACHADO served as the superintendent at that NYCHA facility.¹¹ During that time, CW-4 paid MACHADO for all or nearly all of the no-bid contracts CW-4 performed. Specifically, CW-4 paid MACHADO

NYCHA’s computerized system, and individuals other than the person listed as the “receiver” could have involvement in awarding or processing a particular no-bid contract.

⁷ Bank records from CW-4’s company show that approximately four days before submitting the proposal for the contract that was awarded to CW-4 in April 2020, CW-4 withdrew approximately \$5,000 cash.

⁸ As noted above, MACHADO is not listed in NYCHA employment records as having been employed at Amsterdam Houses, but records show MACHADO “punched in” to Amsterdam Houses during this time. Additionally, MACHADO is listed in NYCHA records as the “receiver” for each of these contracts.

⁹ Bank records from CW-4’s company show that CW-4 withdrew approximately \$4,800 to \$5,000 cash on several occasions in June and July 2020.

¹⁰ Although MACHADO is not listed in NYCHA employment records as having been employed at Wilson Houses at the time of three of these no-bid contracts in or about June 2022, NYCHA records list MACHADO as the “receiver” and/or “requestor” for these contracts, indicating that MACHADO nonetheless had some involvement in those contracts.

¹¹ NYCHA records include MACHADO’s name as the “deliver to person,” “requestor,” and/or “receiver” in connection with all of these contracts.

approximately \$500 cash for each of the \$5,000 no-bid contracts and approximately \$1,000 cash for each of the \$10,000 no-bid contracts after the contracts were awarded to CW-4.¹²

f. On or about October 13 and November 14, 2023, CW-4 reviewed photobooks containing a photograph of MACHADO among photographs of dozens of other individuals. CW-4 correctly identified the photograph of MACHADO as “Vincent Machado,” the NYCHA employee from Straus, Wilson, Amsterdam, and Queensbridge North whom CW-4 had paid in exchange for no-bid contract work at NYCHA.

g. CW-4 has provided a list of names and phone numbers for NYCHA employees to whom CW-4 paid money, including the name “Vincent Machado,” from “Queensbridge North Houses, Amsterdam Houses Manhattan, East River Houses Manhattan, Straus Houses Manhattan, Wilson Houses Manhattan,” along with a particular phone number ending in -9696 (the “Machado Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the Machado Number is a personal phone number listed for MACHADO.

9. Based on my review of financial records for VINCENT MACHADO, a/k/a “Vincent Arcelay,” the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about June 2021 and in or about October 2023, MACHADO made a large number of cash deposits into two particular bank accounts of which MACHADO is the sole signatory (the “MACHADO Accounts”). Specifically, over this time period MACHADO made approximately 114 cash deposits totaling nearly \$170,000. Of these cash deposits, approximately 85 were deposits of \$1,000 or more, totaling over \$150,000.

b. MACHADO’s cash deposits into the MACHADO Accounts include deposits during the time period when CW-4 paid him \$500 to \$1,000 per purchase order that MACHADO awarded to CW-4. For example:

i. On or about May 17, 2022, CW-4 was awarded an approximately \$10,000 no-bid contract and an approximately \$5,000 no-bid contract at Wilson Houses. The next day, on or about May 18, 2022, MACHADO deposited \$1,000 cash into the MACHADO Accounts, and on May 20, 2022, MACHADO deposited \$3,000 cash into the MACHADO Accounts.

ii. On or about June 29, 2022, CW-4 was awarded an approximately \$9,800 no-bid contract at Queensbridge North. The next day, on or about June 30, 2022, MACHADO deposited \$1,000 cash into the MACHADO Accounts.

¹² CW-4 also recalled paying MACHADO approximately \$500 per contract for approximately two to four no-bid contracts at East River Houses in or about 2020, but, based on NYCHA records I have reviewed, it appears MACHADO worked at East River Houses during the time of only one of CW-4’s no-bid contracts in or about 2022, an approximately \$5,000 contract for which MACHADO is listed in NYCHA records as the “receiver.”


iii. On or about November 29, 2022, CW-4 was awarded two no-bid contracts at Queensbridge North of approximately \$9,700 and \$9,800. On or about December 2, 2022, MACHADO deposited \$2,000 cash into the MACHADO Accounts.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of VINCENT MACHADO, a/k/a "Vincent Arcelay," the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez/otw

RASOVE RAMIREZ
Special Agent
U.S. Department of Housing and Urban Development
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means (telephone), this 1st day of February, 2024.



THE HONORABLE GINA T. WANG
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

ERICK MCCREARY,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 462

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about February 2020 through at least in or about October 2021, in the Southern District of New York and elsewhere, ERICK MCCREARY, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020 and 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MCCREARY solicited and accepted a total of at least approximately \$6,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$64,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about February 2020 through at least in or about October 2021, in the Southern District of New York and elsewhere, ERICK MCCREARY, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MCCREARY, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MCCREARY or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that ERICK MCCREARY, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MCCREARY’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ERICK MCCREARY, the defendant:

- a. From at least in or about March 2006 through in or about June 2022, MCCREARY was employed as a supervisor of housing caretakers at Beach 41st Street, a NYCHA development located in Queens, New York.
- b. MCCREARY retired from NYCHA employment in or about June 2022.

MCCREARY’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-22”)² who has performed work at NYCHA’s Beach 41st Street development, among other developments,³ I have learned the following, in substance and in part:

- a. Since at least in or about 2018, CW-22 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.
- b. CW-22 began performing no-bid purchase order work at Beach 41st Street in or about February 2018. From in or about February 2020 through in or about October 2021, CW-22 paid ERICK MCCREARY, the defendant, for approximately six of the contracts CW-22 was awarded at Beach 41st Street (as the other contracts were awarded by the superintendent or

² The cooperating witnesses referenced in this Complaint are designated as “CW-22” and “CW-23” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-22 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

manager, whom CW-22 did not have to pay).⁴ Specifically, CW-22 paid MCCREARY approximately \$500 in cash for approximately five \$5,000 contracts, and approximately \$1,000 in cash for one approximately \$10,000 contract.⁵

c. For the first no-bid contract, MCCREARY told CW-22, in substance and in part, that MCCREARY had a contract for CW-22 and asked CW-22 for \$500. MCCREARY further told CW-22, in substance and in part, that if CW-22 paid MCCREARY \$500, MCCREARY would help CW-22 obtain more no-bid contracts.

d. CW-22 understood, based on his interactions with MCCREARY and with other NYCHA employees who similarly required payments for work, that if CW-22 did not make payments to MCCREARY, CW-22's pending contracts would not be approved and closed, and CW-22 would not be awarded additional no-bid contracts for work at Beach 41st Street.

e. On or about June 26, 2023, CW-22 reviewed photobooks containing a photograph of MCCREARY among photographs of dozens of other individuals. CW-22 correctly identified the photograph of MCCREARY as "Erick McCreary," the Supervisor Caretaker at Beach 41st Street to whom CW-22 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-22 has a contact saved in CW-22's cellphone with the name "Erik McCreary [*sic*]" and a particular phone number ending in -8481 (the "8481 Number"). Based on subscriber records which I have reviewed, I have confirmed that the 8481 Number is a personal phone number subscribed to by MCCREARY.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-23"),⁶ who has

⁴ When testifying, CW-22 estimated paying MCCREARY for approximately seven or eight no-bid contracts. NYCHA records include MCCREARY's name as the "deliver to person" in connection with approximately seven no-bid contracts awarded to CW-22 at Beach 41st Street, including one in or about 2018 for which CW-22 recalled that CW-22 did not pay MCCREARY because the contract had been awarded by the Beach 41st Street manager. NYCHA records indicate all of the contracts were "closed" (which indicates a NYCHA employee approved the completed work).

⁵ At earlier points during the proffers, CW-22 estimated paying MCCREARY \$500 each for approximately three to five no-bid contracts. When CW-22's recollection was refreshed with records of the specific jobs performed at Beach 41st Street, CW-22 had a more specific recollection regarding for which contracts he had paid MCCREARY and how much he had paid MCCREARY for each contract.

⁶ CW-23 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-23 has never worked at any of the contracting companies where CW-22 worked. Both CW-22 and CW-23 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-22 and CW-23 know each other.

performed work at NYCHA's Beach 41st Street development, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-23 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-23 began performing no-bid purchase order work at Beach 41st Street in or about February 2020. After CW-23 made multiple unsuccessful attempts to obtain no-bid contracts at Beach 41st Street, ERICK MCCREARY, the defendant, told CW-23, in substance and in part, "you know how this works," and rubbed his thumb against his fingers, indicating money. In response, CW-23 agreed to pay, and MCCREARY then began awarding no-bid contracts to CW-23.

c. Of the approximately 28 no-bid contracts CW-23 was awarded at Beach 41st Street, CW-23 paid MCCREARY for approximately seven to fourteen contracts; CW-23 was also awarded contracts at Beach 41st Street by an assistant superintendent and manager, whom CW-23 did not pay.⁷ CW-23 paid MCCREARY approximately \$475 to \$500 in cash for each of the approximately seven to fourteen contracts, each of which was worth approximately \$5,000.

d. CW-23 understood, based on his interactions with MCCREARY and with other NYCHA employees who similarly required payments for work, that if CW-23 did not make payments to MCCREARY, MCCREARY would not award CW-23 additional no-bid contracts at Beach 41st Street.

e. On or about December 1, 2023, CW-23 reviewed photobooks containing a photograph of MCCREARY among photographs of dozens of other individuals. CW-23 correctly identified the photograph of MCCREARY as "Erick" at Beach 41st Street, the NYCHA employee to whom CW-23 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-23 has a contact saved in CW-23's cellphone with the name "Erick Beach_41" and the 8481 Number.


⁷ NYCHA records include MCCREARY's name as the "deliver to person" in connection with approximately 14 no-bid contracts awarded to CW-23 at Beach 41st Street, including several for which CW-23 did not pay MCCREARY because the contracts had been awarded by other Beach 41st Street employees. NYCHA records indicate all of the contracts were "closed."

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ERICK MCCREARY, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw

RASOVE RAMIREZ
Special Agent
U.S. Department of Housing and Urban Development
Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JOACIM MENDEZ,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

24 MAG 463

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about July 2015 through at least in or about August 2020, in the Southern District of New York and elsewhere, JOACIM MENDEZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MENDEZ solicited and accepted a total of at least approximately \$36,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$350,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about July 2015 through at least in or about August 2020, in the Southern District of New York and elsewhere, JOACIM MENDEZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MENDEZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MENDEZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JOACIM MENDEZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MENDEZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JOACIM MENDEZ, the defendant:

a. From at least in or about January 2015 through at least in or about August 2016, MENDEZ was employed as a superintendent at Harlem River Consolidated (“Harlem River Houses”), a NYCHA development located in New York, New York.

b. From at least in or about August 2016 through at least in or about August 2017, MENDEZ was employed as a superintendent at Wald Houses, a NYCHA development located in New York, New York.

c. From at least in or about August 2017 through at least in or about March 2020, MENDEZ was employed as a superintendent at Rangel Houses, a NYCHA development located in New York, New York.

d. From at least in or about March 2020 through at least in or about February 2022, MENDEZ was employed as a superintendent at Bronx River Houses, a NYCHA development located in the Bronx, New York.

MENDEZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)² who has performed work at NYCHA’s Wald Houses, Rangel Houses, and Bronx River Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-1” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2016, CW-1 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 was awarded at least approximately 14 no-bid contracts at Wald Houses from in or about October 2016 through in or about June 2017, during the time in which JOACIM MENDEZ, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-1 paid MENDEZ approximately \$500 in cash for at least approximately two to three of the no-bid contracts CW-1 received from MENDEZ at Wald Houses, which were typically each worth approximately \$5,000.

c. In or about August 2017, MENDEZ was assigned to Rangel Houses as the superintendent. CW-1 was awarded at least approximately 66 no-bid contracts at Rangel Houses from in or about September 2017 through in or about September 2019, during the time in which MENDEZ served as a superintendent at that NYCHA facility. During that time, CW-1 paid MENDEZ approximately 10% of the contract price in cash for at least approximately 10 to 12 of the no-bid contracts CW-1 received from MENDEZ at Rangel Houses. The contracts were typically each worth approximately \$5,000, and CW-1 therefore paid MENDEZ approximately \$500 per contract.

d. In or about March 2020, MENDEZ was assigned to Bronx River Houses as the superintendent. CW-1 was awarded at least approximately eight no-bid contracts at Bronx River Houses from in or about April 2020 through in or about August 2020, during the time in which MENDEZ served as a superintendent at that NYCHA facility. During that time, CW-1 paid MENDEZ approximately 10% of the contract price in cash for approximately all eight no-bid contracts CW-1 received from MENDEZ at Bronx River Houses. The contracts were typically each worth approximately \$5,000, and CW-1 therefore paid MENDEZ approximately \$500 per contract.

e. CW-1 understood, based on CW-1's interactions with MENDEZ and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to MENDEZ, CW-1 would not be awarded additional no-bid contracts for work at the developments at which MENDEZ worked. For instance, CW-1 recalled a conversation with MENDEZ at Wald Houses in or about 2016 or 2017 during which MENDEZ informed CW-1, in substance and in part, that if CW-1 wanted additional contracting work, CW-1 would have to "take care" of MENDEZ, and that MENDEZ could use other contractors if MENDEZ wanted to do so. CW-1 understood that MENDEZ required CW-1 to pay \$500 for the outstanding purchase orders at Wald Houses that had not yet been processed, as well as all future no-bid contracts that MENDEZ awarded CW-1. Similarly, at Rangel Houses and Bronx River Houses, MENDEZ reminded CW-1 that MENDEZ would award no-bid contracts to CW-1, or process no-bid contracts performed by CW-1, in exchange for CW-1 paying MENDEZ 10% of the contract price.

f. On or about November 2, 2023, CW-1 reviewed a photograph of MENDEZ, among photographs of several other individuals. CW-1 identified the photograph of MENDEZ as

“Joacim Mendez” from Wald Houses, Rangel Houses, and Bronx River Houses, the NYCHA employee to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.⁴

g. CW-1 has a contact saved in CW-1’s cellphone with the name “Wald Super Mendez” and a particular phone number ending in -7334 (the “7334 Number”). Based on subscriber records that I have reviewed, I have confirmed that the 7334 Number is a personal phone number subscribed to by MENDEZ.

h. I have also reviewed certain text messages between CW-1 and MENDEZ between in or about July 2018 and in or about August 2021. In certain of those text messages, MENDEZ referred to his involvement in processing no-bid purchase order contracts for CW-1 and his ability to approve those contracts.

i. For example, in or about July 2018, CW-1 asked MENDEZ to “Please Process this Po in Receiving,” to which MENDEZ responded “Ok.” Based on my discussions with CW-1, I know that CW-1 used the terminology “P.O.” to refer to no-bid purchase order contracts.

ii. As another example, in or about September 2018, CW-1 asked MENDEZ to “Please Approve Bathroom & Canopy Ceiling Req,” to which MEMDEZ responded “Ok.”

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-24”),⁵ who has

⁴ On or about August 24, 2023, CW-1 met with law enforcement and reviewed photobooks containing a photograph of MENDEZ among photographs of dozens of other individuals. During that meeting, CW-1 identified the photograph of MENDEZ as a person with the last name “Mendez,” but a different first name also starting with “J” (the “Other J. Mendez”), from Wald Houses, Rangel Houses, and Bronx River Houses to whom CW-1 made payments in exchange for contracting work at those developments.

However, CW-1 identified the NYCHA employee whom CW-1 paid at Wald Houses, Rangel Houses, and Bronx River Houses as “Joacim Mendez” in a meeting with law enforcement on March 30, 2023, as CW-1 confirmed during the November 2, 2023 meeting. During a subsequent meeting with law enforcement on November 9, 2023, CW-1 recalled, in substance and in part, that CW-1 did perform contracting work for NYCHA employee with the name of the Other J. Mendez at Johnson Houses, but that the Other J. Mendez did not solicit payments from CW-1. During the November 9, 2023 meeting, CW-1 identified a photograph of the Other J. Mendez shown among photographs of dozens of other individuals, as “Mendez” from Johnson Houses.

CW-1’s account is corroborated by NYCHA records, which reflect a NYCHA employee with the name of the Other J. Mendez served as an assistant superintendent at Johnson Houses from in or about February 2019 through in or about June 2021, a period in which CW-1 had performed contracting work at Johnson Houses. NYCHA records also reflect no overlap between the developments where MENDEZ worked and those where the Other J. Mendez worked.

⁵ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview. CW-24 has never worked at any of the contracting companies where CW-1

performed work at NYCHA's Harlem River Houses, Rangel Houses, and Bronx River Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-24 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Harlem River Houses in or about July 2015. CW-24 was awarded at least approximately 17 no-bid contracts at Harlem River Houses from in or about July 2015 through in or about June 2016, during the time in which JOACIM MENDEZ, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-24 paid MENDEZ approximately \$500 in cash for each of at least approximately 13 of the no-bid contracts CW-24 received from MENDEZ at Wald Houses, which were typically each worth between approximately \$2,000 and \$5,000.

c. After MENDEZ was assigned to Rangel Houses in or about August 2017, CW-24 continued to perform contracting work at that development. CW-24 was awarded at least approximately 31 no-bid contracts at Rangel Houses from in or about February 2018 through in or about January 2020, during the time in which MENDEZ served as a superintendent at that NYCHA facility. During that time, CW-24 paid MENDEZ approximately \$500 in cash per contract for approximately all 31 no-bid contracts CW-24 received from MENDEZ at Rangel Houses, which were typically each worth approximately \$5,000.

d. CW-24 also performed no-bid purchase order work at Bronx River Houses after MENDEZ was assigned to that development in or about March 2020. CW-24 was awarded at least approximately seven no-bid contracts at Bronx River Houses from in or about April 2020 through in or about May 2021, during the time in which MENDEZ served as a superintendent at that NYCHA facility. During that time, CW-24 paid MENDEZ approximately \$500 in cash per contract for approximately six no-bid contracts CW-24 received from MENDEZ at Bronx River Houses, which were typically each worth approximately \$5,000.

e. CW-24 understood, based on CW-24's interactions with MENDEZ and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to MENDEZ, CW-24 would not be awarded additional no-bid contracts for work at the developments at which MENDEZ worked.

f. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of MENDEZ among photographs of dozens of other individuals. CW-24 identified the photograph of MENDEZ as "Mendez," the NYCHA employee to whom CW-24 had made payments at Harlem River Houses, Rangel Houses, and Bronx River Houses, in exchange for no-bid contracts from NYCHA.

worked. Both CW-1 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-1 and CW-24 know each other.

g. CW-24 has a contact saved in CW-24's cellphone with the name "Mandez" and the 7334 Number, which is, as described above, listed in commercial databases as a personal phone number for MENDEZ.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JOACIM MENDEZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

s/ Rasove Ramirez /otw


RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 1st day of February, 2024.



THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 469

UNITED STATES OF AMERICA

v.

JUAN MENDEZ,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about December 2016 through at least in or about May 2021, in the Southern District of New York and elsewhere, JUAN MENDEZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018, 2019, 2020, and 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MENDEZ solicited and accepted a total of at least approximately \$3,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$45,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about April 2018 through at least in or about May 2021, in the Southern District of New York and elsewhere, JUAN MENDEZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MENDEZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MENDEZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

1. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

2. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

3. As set forth in more detail below, there is probable cause to believe that JUAN MENDEZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at Jefferson Houses and Johnson Houses, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

4. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

JUAN MENDEZ’S EMPLOYMENT BY NYCHA

5. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JUAN MENDEZ, the defendant:

a. From at least on or about July 25, 2016, through at least on or about January 6, 2019, MENDEZ was employed as a superintendent at Jefferson Houses, a NYCHA development located in New York, New York.

b. From at least on or about February 11, 2019, through at least on or about June 20, 2021, MENDEZ was employed as an assistant superintendent at Johnson Houses, a NYCHA development located in New York, New York.

JUAN MENDEZ’S SOLICITATION AND RECEIPT OF PAYMENTS²

6. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-3”)³ who has performed work at NYCHA’s Jefferson Houses and Johnson Houses, among other developments,⁴ and my review of records provided by CW-3, I have learned the following, in substance and in part:

² On or about February 17, 2022, law enforcement agents with NYC DOI interviewed JUAN MENDEZ, the defendant. During that interview, MENDEZ stated, in substance and in part, that he had never accepted payments from NYCHA contractors.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-3” and “CW-25” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-3 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during an additional interview pursuant to an agreement to extend the same immunity protections to the interview.

a. From at least 2018, CW-3 performed contracting work for NYCHA as the operator of a contracting company (the “CW-3 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-3 began performing no-bid purchase order work at Jefferson Houses in or about April 2018. The CW-3 Company completed approximately 10 contracts at Jefferson Houses between in or about April 2018 and in or about January 2019, during the time in which MENDEZ served as a superintendent at that NYCHA facility.

c. CW-3 paid MENDEZ for approximately 60% to 75% of the no-bid contracts that MENDEZ awarded him at Jefferson Houses. The payments that CW-3 made to MENDEZ for work at Jefferson Houses varied from anywhere between approximately \$300 to \$1,000. All payments were made in cash.⁵

d. CW-3 began performing work at Johnson Houses in or about July 2018. CW-3 completed approximately 29 contracts at Johnson Houses between in or about June 2019 and in or about May 2021, during the time in which MENDEZ served as an assistant superintendent at that NYCHA facility.

e. Between in or about June 2019 and in or about May 2021, CW-3 paid both MENDEZ and the superintendent at Johnson Houses for the no-bid contracts that CW-3 was awarded at Johnson Houses. CW-3 paid MENDEZ for approximately 20% of the no-bid contracts CW-3 was awarded at Johnson Houses and paid the superintendent for the remaining approximately 80% of the no-bid contracts that CW-3 was awarded at Johnson Houses. The payments that CW-3 made to MENDEZ for work at Johnson Houses varied from anywhere between approximately \$500 to \$1,000. All payments were made in cash.

f. CW-3 Company bank records show cash withdrawals around the time that CW-3 was awarded certain no-bid contracts at Johnson Houses during the time that MENDEZ served as an assistant superintendent at that NYCHA facility. For example:

i. On or about January 10, 2020, approximately \$980 in cash was withdrawn from the CW-3 Company bank account. Approximately one day earlier, on or about January 9, 2020, CW-3 was awarded an approximately \$5,000 no-bid contract at Johnson Houses.

ii. On or about May 20, 2020, approximately \$2,500 in cash was withdrawn from the CW-3 Company bank account. Approximately one day earlier, on or about May 19, 2020, CW-3 was awarded an approximately \$5,000 no-bid contract at Johnson Houses.

g. CW-3 understood, based on CW-3’s interactions with MENDEZ and with other NYCHA employees who similarly required payments for awarding no-bid contracts, that if

⁵ At an initial interview, CW-3 recalled that CW-3 did not pay MENDEZ for the first few jobs CW-3 completed at Jefferson Houses. CW-3 recalled paying MENDEZ after MENDEZ gave him a hard time about signing off on work that CW-3 had performed for MENDEZ pursuant to a no-bid contract. During subsequent grand jury testimony, CW-3 recalled that CW-3 kept going to Jefferson Houses for work and that MENDEZ eventually said, in substance and in part, that if CW-3 paid him, he would give CW-3 work.

CW-3 did not make payments to MENDEZ, CW-3 would not be paid for work CW-3 had completed or would not receive future NYCHA contracting work.

h. On or about October 4, 2023, CW-3 reviewed photobooks containing a photograph of MENDEZ among photographs of dozens of other individuals. CW-3 identified the photograph of MENDEZ as “John Mendez,” a superintendent at Jefferson Houses and an assistant superintendent at Johnson Houses, the NYCHA employee to whom CW-3 had made payments in exchange for no-bid contracts from NYCHA.

7. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-25”),⁶ who has performed work at NYCHA’s Jefferson Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least 2016, CW-25 performed contracting work for NYCHA under contracting companies (the “CW-25 Companies”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-25 began performing work at Jefferson Houses in or about December 2016. The CW-25 Companies completed approximately 30 contracts at Jefferson Houses between in or about December 2016 and in or about January 2019, during the time in which JUAN MENDEZ, the defendant, served as a superintendent at that NYCHA facility.

c. CW-25 paid MENDEZ at least twice for no-bid contracts that CW-25 was awarded at Jefferson Houses.⁷ CW-25 paid MENDEZ in an area of the basement of Jefferson Houses where there were no cameras. While MENDEZ told CW-25, in substance and in part, that he did not want the money, MENDEZ nevertheless accepted the payments from CW-25. CW-25 paid MENDEZ despite MENDEZ’s claim that he did not want the money because CW-25 believed, based on CW-25’s interactions with MENDEZ and other NYCHA employees, that CW-25 would receive additional NYCHA contracting work from MENDEZ if CW-25 paid him. CW-25’s payments to MENDEZ varied from approximately \$300 to \$400 for an approximately \$5,000 no-bid contract.

d. On or about September 26, 2023, CW-25 reviewed photobooks containing a photograph of MENDEZ among photographs of dozens of other individuals. CW-25 correctly identified the photograph of MENDEZ as “Juan Mendez” at Jefferson Houses, the NYCHA employee to whom CW-25 had made payments in exchange for no-bid contracts from NYCHA.

⁶ CW-25 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. CW-25 has never worked at any of the contracting companies where CW-3 worked. Both CW-25 and CW-3 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-25 and CW-3 know each other.

⁷ CW-25 also believed that CW-25 may have paid MENDEZ at another development, but did not remember what one.

8. Based on my review of financial records for JUAN MENDEZ, the defendant, and a financial analysis of such records, I have learned the following:

a. From in or about October 2016 through in or about November 2023, over 150 cash deposits were made into a particular bank account in the name of MENDEZ (“Account-1”). Specifically, MENDEZ made approximately 79 cash deposits of \$100 or more, totaling over \$28,000, into Account-1.

b. The cash deposits into Account-1 include deposits during the time periods when CW-3 paid MENDEZ between approximately \$500 and \$1,000 per no-bid contract. For example, MENDEZ deposited exactly \$500 in cash into Account-1 on or about each of the following dates: February 10, 2020, and January 19, 2021.

c. The cash deposits into Account-1 also include deposits during the time period when CW-25 paid MENDEZ between approximately \$300 and \$400 for at least approximately two no-bid contracts. Certain of these cash deposits were made around the time that the CW-25 Companies were awarded no-bid contracts at Jefferson Houses. For example, on or about February 20, 2018, MENDEZ deposited approximately \$2,000 in cash into Account-1. Approximately, seven days earlier, on or about February 13, 2018, the CW-25 Companies were awarded two no-bid contracts at Jefferson Houses each worth approximately \$5,000. In addition, on or about February 26, 2018, the CW-25 Companies were awarded a no-bid contract at Jefferson Houses worth approximately \$5,000.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JUAN MENDEZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ Rasove Ramirez by SDA with permission

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this 31st day of January, 2024.



THE HONORABLE STEWART D. AARON

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 491

UNITED STATES OF AMERICA

v.

WILLIE WILLIAMS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2015 through at least in or about 2019, in the Southern District of New York and elsewhere, WILLIE WILLIAMS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2019, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, WILLIAMS solicited and accepted a total of at least approximately \$10,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$100,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about 2015 through at least in or about 2019, in the Southern District of New York and elsewhere, WILLIE WILLIAMS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, WILLIAMS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due WILLIAMS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that WILLIE WILLIAMS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2019, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

WILLIAMS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of WILLIE WILLIAMS, the defendant:

a. From at least in or about April 2015 through at least in or about May 2017, WILLIAMS was employed as a superintendent at Borinquen Plaza, a NYCHA development located in Brooklyn, New York.

b. From at least in or about May 2017 through at least in or about September 2018, WILLIAMS was employed as a superintendent at Glenwood Houses, a NYCHA development located in Brooklyn, New York.

c. From at least in or about September 2018 through at least in or about October 2019, WILLIAMS was employed as an assistant superintendent at Wise Towers, a NYCHA development located in Manhattan, New York.

d. WILLIAMS retired from NYCHA in or about October 2019.

WILLIAMS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Borinquen Plaza, Glenwood Houses, and Wise Towers, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-22” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

a. Since at least in or about 2014, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Borinquen Plaza in or about June 2014. CW-2 was awarded at least approximately 17 no-bid contracts at Borinquen Plaza from in or about December 2015 through in or about May 2017, during the time in which WILLIE WILLIAMS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-2 paid WILLIAMS approximately 10% of the contract price in cash for approximately 13 of the no-bid contracts CW-2 received from WILLIAMS at Borinquen Plaza. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid WILLIAMS approximately \$500 per contract.

c. CW-2 began performing no-bid purchase order work at Glenwood Houses in or about June 2017. CW-2 was awarded at least approximately 12 no-bid contracts at Glenwood Houses from in or about June 2017 through in or about July 2018, during the time in which WILLIAMS served as a superintendent at that NYCHA facility. During that time, CW-2 paid WILLIAMS approximately 10% of the contract price in cash for approximately 11 of the no-bid contracts CW-2 received from WILLIAMS at Glenwood Houses. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid WILLIAMS approximately \$500 per contract.

d. CW-2 began performing no-bid purchase order work at Wise Towers in or about March 2015. CW-2 was awarded at least approximately three no-bid contracts at Wise Towers from in or about January 2019 through in or about March 2019, during the time in which WILLIAMS served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid WILLIAMS approximately \$500 in cash for approximately two of the no-bid contracts CW-2 received from WILLIAMS at Wise Towers.

e. CW-2 understood, based on CW-2's interactions with WILLIAMS and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to WILLIAMS, CW-2 would not be awarded additional no-bid contracts for work at the developments where WILLIAMS worked.

f. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of WILLIAMS among photographs of dozens of other individuals. CW-2 identified the photograph of WILLIAMS as "Willy Valeems [*sic*]," at Wise Towers, Hope Gardens, and Breukelen,⁴ the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-22"),⁵ who has

⁴ WILLIAMS served as a superintendent at Hope Gardens but never served as a superintendent at Breukelen.

⁵ CW-22 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-22 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-22 were interviewed separately

performed work at NYCHA's Wise Towers, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-22 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-22 began performing no-bid purchase order work at Wise Towers in or about January 2019. CW-22 was awarded at least approximately six no-bid contracts at Wise Towers from in or about January 2019 through in or about April 2019, during the time in which WILLIE WILLIAMS, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-22 paid WILLIAMS approximately \$200 in cash for the first contract and thereafter approximately 10% of the contract price in cash for approximately all of the remaining no-bid contracts CW-22 received from WILLIAMS at Wise Towers.

c. CW-22 understood, based on CW-22's interactions with WILLIAMS and with other NYCHA employees who similarly required payments for work, that if CW-22 did not make payments to WILLIAMS, CW-22 would not be awarded additional no-bid contracts for work at Wise Towers.

d. On or about December 21, 2023, CW-22 reviewed photobooks containing a photograph of WILLIAMS among photographs of dozens of other individuals. CW-22 correctly identified the photograph of WILLIAMS as "Willie Williams," the NYCHA employee to whom CW-22 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-22 has a contact saved in CW-22's cellphone with the name "Willie Williams – Super Wise Towers" and a particular phone number ending in -0077 (the "WILLIAMS Number"). Based on subscriber records which I have reviewed, I have confirmed that the WILLIAMS Number is a personal phone number subscribed to "Willie Williams."


and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-22 know each other.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of WILLIE WILLIAMS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (By Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 492

UNITED STATES OF AMERICA

v.

TANISHA SANDS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about August 2018 through at least in or about November 2020, in the Southern District of New York and elsewhere, TANISHA SANDS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018, 2019, and 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, SANDS solicited and accepted a total of approximately \$9,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$88,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about August 2018 through at least in or about November 2020, in the Southern District of New York and elsewhere, TANISHA SANDS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, SANDS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due SANDS or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that TANISHA SANDS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

TANISHA SANDS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of TANISHA SANDS, the defendant:

a. From at least on or about June 15, 2017, through at least on or about March 31, 2019, SANDS was employed as an assistant superintendent at Hammel Houses/Carleton Manor, NYCHA developments located in Queens, New York.

b. From at least on or about April 1, 2019, through at least on or about November 29, 2020, SANDS was employed as an assistant superintendent at Ingersoll Houses, a NYCHA development located in Brooklyn, New York.

TANISHA SANDS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-2”),² who has performed work at NYCHA’s Hammel Houses and Ingersoll Houses, among other developments,³ and my review of records provided by CW-2, I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-2 performed contracting work for NYCHA with several contracting companies (the “CW-2 Companies”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-12” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

b. The CW-2 Companies were awarded at least approximately 14 no-bid contracts at Hammel Houses from in or about July 2018 through in or about March 2019, during the time in which TANISHA SANDS, the defendant, served as an assistant superintendent at that NYCHA facility. CW-2 did not pay SANDS for the initial contracts that CW-2 received from SANDS at Hammel Houses. However, after those initial contracts, CW-2 paid SANDS up to approximately \$500 in cash for each of the no-bid contracts CW-2 received from SANDS at Hammel Houses.

c. The CW-2 Companies were awarded at least approximately seven no-bid contracts at Ingersoll Houses from in or about August 2019 through in or about November 2020, during the time in which SANDS served as an assistant superintendent at that NYCHA facility. CW-2 paid SANDS approximately 10% of the value of each of the no-bid contracts CW-2 received from SANDS at Ingersoll Houses. The value of each of the no-bid contracts varied from approximately \$1,500 to approximately \$5,000.

d. CW-2 understood, based on CW-2's interactions with SANDS and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to SANDS, CW-2 would not be paid for work CW-2 had completed or would not receive future NYCHA contracting work.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of SANDS among photographs of dozens of other individuals. CW-2 correctly identified the photograph of SANDS as "Tanisha Sands," the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

f. CW-2 has a contact saved in CW-2's cellphone with the name "SANDS, TANISHA Linden" and a particular phone number ending in -8905 (the "SANDS Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the SANDS Number is a personal phone number used by SANDS.

g. CW-2 provided email chains between CW-2 and SANDS's NYCHA email address, which, based on the subject line and contents of the emails, appear to concern work to be performed at Hammel Houses.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-12") who has performed work at NYCHA's Hammel Houses, among other developments,⁴ I have learned the following, in substance and in part:

⁴ CW-12 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-12 has never worked at any of the contracting companies where CW-2 worked. Both CW-12 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-12 and CW-2 know each other.

a. Since at least 2018, CW-12 performed contracting work for NYCHA as the proprietor of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-12 performed no-bid purchase order work at Hammel Houses from in or about August 2018 through in or about September 2018. During that time period, CW-12 was awarded at least approximately three no-bid contracts at Hammel Houses.

c. CW-12 paid a Hammel Houses employee whom CW-12 identified as “Tanisha Sands” and whom CW-12 identified as either the superintendent or assistant superintendent at that NYCHA facility.⁵ CW-12 paid “Tanisha Sands” approximately \$500 per contract for at least two of the no-bid contracts CW-12 received at Hammel Houses.

d. For the reasons explained below, I believe that the person whom CW-12 identified as “Tanisha Sands” and paid at Hammel Houses is TANISHA SANDS, the defendant.

i. During the time that CW-12 performed no-bid purchase order work at Hammel Houses, SANDS was the assistant superintendent at that NYCHA facility. There was no other superintendent or assistant superintendent at Hammel Houses during that time period named “Tanisha Sands” or anything similar.

ii. NYCHA records also show that SANDS’s identification badge nearly always “punched in” at Hammel Houses between at least in or about August 2018 through in or about September 2018, including on every date that CW-12 was awarded a no-bid contract at that development.

iii. On or about October 26, 2023, CW-12 reviewed photobooks containing a photograph of SANDS among photographs of dozens of other individuals, but did not identify the photograph of SANDS, nor did CW-12 identify any other photographs as appearing to be the individual CW-12 knew as “Tanisha Sands.”

e. CW-12 understood, based on CW-12’s interactions with SANDS and with other NYCHA employees who similarly required payments for work, that if CW-12 did not make payments to SANDS, CW-12 would not be paid for work CW-12 had completed or would not receive future NYCHA contracting work.

10. Based on my review of financial records for TANISHA SANDS, the defendant, and a financial analysis of such records, I have learned the following:

a. Between on or about August 23, 2019, and on or about September 11, 2020, SANDS made several cash deposits into a particular bank account (“Account-1”). Specifically, she made approximately nine cash deposits of more than \$100—one deposit in each of the

⁵ Over the course of proffer meetings with the Government and grand jury testimony, CW-12 once identified “Tanisha Sands” as an assistant superintendent at Hammel Houses, once identified “Tanisha Sands” as a superintendent at Hammel Houses, and once stated that CW-12 did not know whether she was assistant superintendent or superintendent at that NYCHA facility.

following amounts: \$100, \$200, \$200, \$240, \$280, \$400, \$860, \$1,000, and \$1,750—during this time period into Account-1, totaling approximately \$5,030.

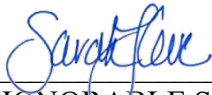
b. During this same time period, the CW-2 Companies were awarded three no-bid contracts at Ingersoll Houses, where SANDS served as an assistant superintendent. Those three no-bid contracts were worth approximately \$15,000 in total. As noted, during this time period, CW-2 paid SANDS approximately 10% of the value of each of the no-bid contracts CW-2 received from SANDS at Ingersoll Houses.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of TANISHA SANDS, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (By Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 493

UNITED STATES OF AMERICA

v.

SEGUNDO TORRES,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about April 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, SEGUNDO TORRES, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, TORRES solicited and accepted a total of at least approximately \$10,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$50,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about April 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, SEGUNDO TORRES, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, TORRES, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due TORRES or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that SEGUNDO TORRES, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

TORRES’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of SEGUNDO TORRES, the defendant:

a. From at least in or about April 2019 through at least in or about December 2019, TORRES was employed as a superintendent at Rutgers Houses, a NYCHA development located in New York, New York.

b. From at least in or about December 2019 through the present, TORRES was employed as a superintendent at Fulton Houses, a NYCHA development located in New York, New York.

TORRES’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-9”)² who has performed work at NYCHA’s Fulton and Rutgers Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-9” and “CW-13” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-9 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. Based on a review of documents generated during a background check conducted by NYCHA in or about 2020, it appears that CW-9 may have provided inaccurate information regarding the ownership and operation of, and

a. Since at least in or about 2019, CW-9 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-9 began performing no-bid purchase order work at Rutgers Houses in or about 2019. CW-9 was awarded at least approximately 13 no-bid contracts at Rutgers Houses from in or about April 2019 through in or about November 2019 (all of which are listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work), during the time in which SEGUNDO TORRES, the defendant, served as a superintendent at that NYCHA facility. During that time, TORRES asked CW-9 to pay TORRES approximately 20% of the contract price in cash for multiple no-bid contracts CW-9 received from TORRES, which were each worth approximately \$5,000. CW-9 paid TORRES for many, but not all of the contracts, and CW-9 sometimes paid TORRES less than 20% of the contract’s value. CW-9 made all of these payments in cash.

c. CW-9 was awarded at least approximately 29 no-bid contracts at Fulton Houses from in or about December 2019 through in or about November 2022 (all but one of which are listed in NYCHA records as “closed”), during the time in which TORRES served as a superintendent at that NYCHA facility. During that time, TORRES asked CW-9 to pay TORRES approximately 20% of the contract price in cash for multiple no-bid contracts CW-9 received from TORRES, approximately nine of which were worth approximately \$10,000 each and approximately 20 of which were worth approximately \$5,000 each. CW-9 paid TORRES for many, but not all of the contracts, and CW-9 sometimes paid TORRES less than 20% of the contract’s value. CW-9 made all of these payments in cash.

d. CW-9 understood, based on his interactions with TORRES and with other NYCHA employees who similarly required payments for work, that if CW-9 did not make payments to TORRES, CW-9 would not be awarded no-bid contracts for work at the developments at which TORRES worked or TORRES would not approve contracts CW-9 had completed.⁴

e. On or about May 26, 2023, CW-9 reviewed photobooks containing a photograph of TORRES among photographs of dozens of other individuals. CW-9 identified the photograph of TORRES as “Santiago Torres” from Fulton Houses, the NYCHA employee to whom CW-9 had made payments in exchange for no-bid contracts from NYCHA. On or about November 14 and December 5, 2023, CW-9 recalled the individual’s name was “Segundo Torres,” and confirmed that the phone contact saved in CW-9’s phone, described below, is for the NYCHA employee whom CW-9 paid at Rutgers and Fulton Houses.

affiliation between, certain contracting companies with which CW-9 performed contracting work for NYCHA.

⁴ CW-9 believed that TORRES and other superintendents sometimes needed to hire CW-9 to complete urgent work at the development that had to be completed so the development would pass certain inspections, and these circumstances allowed CW-9 to not always pay the amount requested but still be awarded additional no-bid contracts. However, CW-9 believed that when superintendents did not have an urgent need for CW-9, they would not award CW-9 contracts because CW-9 did not pay the amount requested.

f. CW-9 has a contact saved in CW-9's cellphone with the name "Segundo Torres" and a particular phone number ending in -0798 (the "0798 Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 0798 Number is the personal cellphone number listed for TORRES.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-13"),⁵ who has performed work at NYCHA's Fulton Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-13 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-13 began performing no-bid purchase order work at Fulton Houses in or about 2020 and paid an assistant superintendent (the "Fulton Assistant Superintendent") approximately 10% of the value of the contracts.⁶ CW-13 was subsequently awarded a blanket contract by NYCHA and sought to fulfill work pursuant to the blanket contract at Fulton Houses. SEGUNDO TORRES, the defendant, approached CW-13 and stated, in substance and in part, "I know you were paying [the Fulton Assistant Superintendent], when are you coming to see me?" TORRES asked CW-13 to pay TORRES 10% of the value of the blanket contract work CW-13 performed at Fulton Houses. CW-13 paid TORRES after every few jobs through approximately 2022 fulfilled pursuant to the blanket contract. TORRES was aware of which jobs CW-13 fulfilled at Fulton Houses and kept track of the balance that CW-13 "owed" to TORRES. CW-13 paid TORRES a total of approximately \$4,000 to \$5,000 in cash.

c. CW-13 believed, based on his interactions with TORRES and with other NYCHA employees who similarly required payments for work, that if CW-13 did not make payments to TORRES, CW-13 would not be assigned additional jobs to complete pursuant to the blanket contract at Fulton Houses.⁷

d. CW-13 has a contact saved in CW-13's cellphone with the name "Sugundo Fulton Super" and a particular phone number ending in -7384 (the "7384 Number"), which CW-13 identified as belonging to the NYCHA super CW-13 paid at Fulton Houses named "Segundo

⁵ CW-13 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview. CW-13 has never worked at any of the contracting companies where CW-9 worked. Both CW-9 and CW-13 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-9 and CW-13 know each other.

⁶ The Fulton Assistant Superintendent is being charged simultaneously with bribery and extortion offenses related to his receipt of money for NYCHA contracts.

⁷ CW-13 ceased paying TORRES in approximately late 2022 or early 2023 but has obtained additional blanket contract work at Fulton Houses despite not paying TORRES.

Torres.” Based on NYCHA records which I have reviewed, I have confirmed that the 7384 Number is the NYCHA cellphone number for TORRES.


e. CW-13 provided certain emails between CW-13 and TORRES’s NYCHA email address which include, among other things, proposals for new work and statements of services for completed work at Fulton Houses pursuant to CW-13’s blanket contract.⁸

WHEREFORE, I respectfully request that a warrant be issued for the arrest of SEGUNDO TORRES, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (By Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of the Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

⁸ On or about November 20, 2023, CW-13 reviewed photobooks containing a photograph of TORRES among photographs of dozens of other individuals, but did not identify the photograph of TORRES, nor did CW-13 identify any other photographs as appearing to be the individual CW-13 knew as “Segundo Torres.”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 494

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

HERBERT ROSA,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about April 2021 through at least in or about March 2022, in the Southern District of New York and elsewhere, HERBERT ROSA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2021 and 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, ROSA solicited and accepted at least approximately \$6,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$50,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about April 2021 through at least in or about March 2022, in the Southern District of New York and elsewhere, HERBERT ROSA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, ROSA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due ROSA or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that HERBERT ROSA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2021 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual since at least September 2018 state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

ROSA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of HERBERT ROSA, the defendant:

a. From at least in or about 2015 through the present, ROSA has been employed as a caretaker² at Lehman Village, a NYCHA development located in New York, New York.

ROSA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my review of certain bank records, and my discussions with two cooperating witnesses (“CW-19” and “CW-21”)³ who have performed work at NYCHA’s Lehman Village, among other developments,⁴ I have learned the following, in substance and in part:

a. From at least in or about 2021 through at least in or about 2023, CW-19 and CW-21 performed contracting work for NYCHA as owners of the same particular company (the

² A caretaker is below the assistant superintendent in the organizational structure of a NYCHA development and, among other responsibilities, assists in maintenance and supplies at the development.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-19” and “CW-21” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-19 and CW-21 both testified in the grand jury pursuant to immunity orders, and previously provided information to law enforcement during additional interviews pursuant to agreements to extend the same immunity protections to those interviews. As referenced below, CW-19 and CW-21 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-19 and CW-21 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

“Contracting Company”) and, in connection with such work, purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-19 and CW-21 began performing no-bid purchase order work at Lehman Village in or about April 2021. From in or about April 2021 through in or about March 2022, CW-19 and CW-21 were awarded and completed approximately twelve purchase order contracts at Lehman Village. NYCHA records include ROSA’s name in connection with each of the jobs and indicate each of the jobs is “closed” (which indicates a NYCHA employee approved the completed work).

c. After each no-bid contract was awarded to CW-19 and CW-21, HERBERT ROSA, the defendant, required them to pay ROSA. ROSA told CW-21, in substance and in part, “take care of me, you get work, and if you don’t take care of me, you don’t get the work.”

d. To pay ROSA, CW-19 withdrew money from the business bank account for the Contracting Company and gave it to CW-21, and CW-21 then paid ROSA up to approximately \$1,000 for each no-bid contract.⁵ CW-21 made those cash payments to ROSA at various locations around Lehman Village, including in the basement, hallways, and outside.

e. Bank records for the Contracting Company show large cash withdrawals around the same time that no-bid contracts at Lehman Village were awarded to CW-19 and CW-21. For example, on or about April 12, 2021, an approximately \$5,000 no-bid contract was awarded to the Contracting Company, and the next day, on or about April 13, 2021, \$900 was withdrawn from the Contracting Company’s bank account at an ATM. As another example, on or about April 15, 2021, an approximately \$5,000 no-bid contract was awarded to the Contracting Company, and the same day, on or about April 15, 2021, \$1,000 was withdrawn from the Contracting Company’s bank account at an ATM. As another example, on or about April 27, 2021, an approximately \$5,000 no-bid contract was awarded to the Contracting Company, and the same day, on or about April 27, 2021, \$1,000 was withdrawn from the Contracting Company’s bank account at an ATM.

f. CW-19 and CW-21 understood, based on their interactions with ROSA and with other NYCHA employees who similarly required payments for work, that if they did not make payments to ROSA, they would not be awarded additional no-bid contracts for work at Lehman Village.

g. On or about November 22 and December 21, 2023, CW-21 reviewed photobooks containing two photographs of ROSA among photographs of dozens of other individuals. CW-21 correctly identified both photographs of ROSA as “Herbert Rosa” at Lehman Village, the NYCHA employee to whom CW-21 had made payments with money provided by CW-19 in exchange for no-bid contracts from NYCHA.

h. On or about December 21, 2023, CW-19 reviewed photobooks containing two photographs of ROSA among photographs of dozens of other individuals. CW-19 correctly

⁵ CW-19 recalled they paid ROSA between \$500 and \$1,000 per \$5,000 contract, and CW-21 recalled paying ROSA \$1,000 for each \$5,000 contract.

identified both photographs of ROSA as “Herbert Rosa” at Lehman Village, the NYCHA employee to whom CW-21 had made payments with money provided by CW-19 in exchange for no-bid contracts from NYCHA.

i. CW-21 has a contact saved in CW-21’s cellphone with the name “Herbert Super Lehman Village” and a particular phone number ending in -0846 (the “Herbert Number”). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the Herbert Number is a personal phone number listed for ROSA.


j. CW-19 provided an email chain between CW-19 and ROSA’s NYCHA email address which, based on the subject line and attachment to the email, appears to attach a proposal for work to be performed at Lehman Village.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of HERBERT ROSA, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (by Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of the Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 495

UNITED STATES OF AMERICA

v.

JUAN MERCADO,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about April 2014 through at least in or about July 2023, in the Southern District of New York and elsewhere, JUAN MERCADO, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2014 through 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MERCADO solicited and accepted a total of at least approximately \$314,300 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$1,761,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about April 2014 through at least in or about July 2023, in the Southern District of New York and elsewhere, JUAN MERCADO, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United

States Code, Section 1951(b)(3), to wit, MERCADO, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MERCADO or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JUAN MERCADO, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2014 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

MERCADO’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JUAN MERCADO, the defendant:

a. From at least in or about December 2013 through at least in or about May 2019, MERCADO was employed as a superintendent at Ravenswood Houses, a NYCHA development located in Queens, New York.

b. From at least in or about May 2019 through at least in or about August 2020, MERCADO was employed as a superintendent at South Jamaica Houses, a NYCHA development located in Queens, New York.

c. From at least in or about August 2020 through at least in or about July 2023, MERCADO was employed as a superintendent at Hammel-Carleton Manor, a consolidation of Hammel Houses and Carleton Manor, two jointly-managed NYCHA developments located in Queens, New York.

MERCADO’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Ravenswood Houses, South Jamaica Houses, and Hammel Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-8” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I

a. Since at least in or about 2014, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Ravenswood Houses in or about April 2014. CW-2 was awarded at least approximately 268 no-bid contracts at Ravenswood Houses from in or about April 2014 through in or about May 2019, during the time in which JUAN MERCADO, the defendant, served as a superintendent at that NYCHA facility.⁴ At MERCADO's direction, CW-2 paid MERCADO approximately 10% of the contract price in cash for approximately 77 of the no-bid contracts CW-2 received from MERCADO at Ravenswood Houses from in or about 2014 through in or about 2016. MERCADO subsequently raised the amount that CW-2 was required to pay to receive contracting work, and thereafter CW-2 paid MERCADO approximately 20% of the contract price in cash for approximately 171 of the no-bid contracts CW-2 received at Ravenswood Houses from in or about 2017 through in or about May 2019. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid MERCADO approximately \$500 per contract from in or about 2014 through in or about 2016, and \$1,000 per contract from in or about 2017 through in or about May 2019.

c. In or about May 2019, MERCADO was assigned to South Jamaica Houses as a superintendent, and CW-2 began performing no-bid purchase order work at that development. CW-2 was awarded at least approximately 41 no-bid contracts at South Jamaica Houses from in or about May 2019 through in or about August 2020, during the time in which MERCADO served as a superintendent at that NYCHA facility. During that time, CW-2 paid MERCADO approximately 20% of the contract price in cash for approximately all 41 of the no-bid contracts CW-2 received at South Jamaica Houses. The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid MERCADO approximately \$1,000 per contract.

d. In or about August 2020, MERCADO was assigned as a superintendent to Hammel Houses. CW-2 was awarded at least approximately 28 no-bid contracts at Hammel Houses from in or about March 2022 through in or about July 2023, during the time in which MERCADO served as a superintendent at that NYCHA facility. During that time, CW-2 paid MERCADO approximately 20% of the contract price in cash for approximately 26 of the no-bid

have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ From at least in or about August 2017 through at least in or about July 2021, there was another individual named "Juan Mercado" who was employed at Ravenswood Houses as an assistant superintendent (the "Other Juan Mercado"). However, as described in greater detail below, I believe that MERCADO—and not the Other Juan Mercado—was the NYCHA employee at Ravenswood Houses who solicited and accepted payments from CW-2 and CW-8. Both CW-2 and CW-8 identified a photograph of MERCADO as the superintendent at Ravenswood Houses, South Jamaica Houses, and Hammel Houses to whom CW-2 and CW-8 had made payments in exchange for the awarding or closing of no-bid contracts from NYCHA. Based on my review of NYCHA Human Resources records, I know that the Other Juan Mercado was never employed at South Jamaica Houses or Hammel Houses.

contracts CW-2 received at Hammel Houses. The contracts were typically each worth approximately \$10,000, and CW-2 therefore paid MERCADO approximately \$2,000 per contract.

e. CW-2 understood, based on CW-2's interactions with MERCADO and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to MERCADO, MERCADO would neither close out the no-bid contracts that he awarded CW-2, nor would MERCADO award CW-2 additional no-bid contracts at the developments at which MERCADO was employed.

f. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of MERCADO among photographs of dozens of other individuals. CW-2 identified the photograph of MERCADO as "Juan Mercado" at Ravenswood Houses, South Jamaica Houses, and Hammel Houses, the NYCHA employee to whom CW-2 had made payments in exchange for the awarding or closing of no-bid contracts from NYCHA.

g. CW-2 provided an email chain from in or about November 2017, during the time that MERCADO served as superintendent at Ravenswood Houses, between CW-2 and MERCADO's NYCHA email address, which, based on the subject line, the attachment to the email, and the content of the email, appears to request proposals for work to be performed at Ravenswood Houses.⁵

h. CW-2 also provided an email chain containing emails exchanged in or about August 2019, during the time that MERCADO served as superintendent at South Jamaica Houses, between CW-2 and MERCADO's NYCHA email address, which, based on the subject line, the attachments to the emails, and the content of the emails, appears to attach proposals for work to be performed at South Jamaica Houses.⁶

i. CW-2 provided another email chain containing email exchanged in or about October 2022, during the time that MERCADO served as superintendent at Hammel Houses, between CW-2 and MERCADO's NYCHA email address, which, based on the subject line, the attachment to the emails, and the content of the emails, appears to list certain jobs to be performed at Hammel Houses.⁷

j. CW-2 (who is not a native English speaker and speaks with an accent) has a contact saved in CW-2's cellphone with the name "Juan Maerdo" and a particular phone number ending in -9918 (the "9918 Number"). Based on subscriber records that I have reviewed, I have

⁵ In this email chain, MERCADO's email signature block lists, among other things, a particular phone number ending in -5621 (the "5621 Number"). Based on commercial databases that I have reviewed, I have confirmed that the 5621 Number is a work phone number associated with MERCADO.

⁶ In this email chain, MERCADO's email signature block lists, among other things, a particular phone number ending in -7739 (the "7739 Number"). Based on my review of records provided by NYCHA, I have learned that the 7739 Number is the work mobile phone number assigned to MERCADO.

⁷ In this email chain, MERCADO's email signature block lists, among other things, the 7739 Number.

confirmed that the 9918 Number is a personal phone number subscribed to by MERCADO and associated with a residential address listed for MERCADO in NYCHA Human Resources records.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-8”),⁸ who has performed work at NYCHA’s Ravenswood Houses, South Jamaica Houses, and Hammel Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-8 performed contracting work for NYCHA with a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-8 began performing no-bid purchase order work at Ravenswood Houses in or about April 2018. CW-8 was awarded at least approximately 90 no-bid contracts at Ravenswood Houses from in or about April 2018 through in or about May 2019, during the time in which JUAN MERCADO, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-8 paid MERCADO approximately \$1,000 in cash for approximately five to six of the no-bid contracts CW-8 received from MERCADO at Ravenswood Houses, which were typically each worth approximately \$5,000. After MERCADO awarded CW-8 several initial no-bid contracts, MERCADO informed CW-8, in substance and in part, that CW-8 would have to pay MERCADO money if CW-8 wanted MERCADO to close out the contracts, thereby enabling CW-8 to be paid for the work that CW-8 had completed.

c. In or about May 2019, MERCADO was assigned to South Jamaica Houses as a superintendent, and CW-8 began performing no-bid purchase order work at that development. CW-8 was awarded at least approximately 29 no-bid contracts at South Jamaica Houses from in or about May 2019 through in or about July 2020, during the time in which MERCADO served as a superintendent at that NYCHA facility. During that time, CW-8 paid MERCADO approximately 20% of the contract price in cash for approximately 21 of the no-bid contracts CW-8 received from MERCADO at South Jamaica Houses. The contracts were typically each worth approximately \$5,000, and CW-8 therefore paid MERCADO approximately \$1,000 per contract.

d. In or about August 2020, MERCADO was then assigned to Hammel Houses as a superintendent. CW-8 began performing no-bid purchase order work at Hammel Houses in or about October 2021. CW-8 was awarded at least approximately 14 no-bid contracts at Hammel Houses from in or about October 2021 through in or about June 2023, during the time in which MERCADO served as a superintendent at that NYCHA facility. During that time, CW-8 paid MERCADO between approximately \$500 and \$1,000 per contract in cash for approximately 11 of the no-bid contracts CW-8 received from MERCADO at Hammel Houses, which were typically each worth between approximately \$5,000 and \$10,000.

⁸ CW-8 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-8 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-8 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-8 know each other.

e. CW-8 understood, based on CW-8's interactions with MERCADO and with other NYCHA employees who similarly required payments for work, that if CW-8 did not make payments to MERCADO, MERCADO would neither close out the no-bid contracts that he awarded CW-8, nor would MERCADO award CW-8 additional no-bid contracts at the developments at which MERCADO was employed.

f. On or about October 11, 2023, CW-8 reviewed photobooks containing a photograph of MERCADO among photographs of dozens of other individuals. CW-8 (who is not a native English speaker and speaks with an accent) identified the photograph of MERCADO as "John Mercado" at Hammel Houses, the NYCHA employee to whom CW-8 had made payments at Ravenswood Houses, South Jamaica Houses, and Hammel Houses, in exchange for the awarding or closing of no-bid contracts from NYCHA.

10. Based on my review of financial records for JUAN MERCADO, the defendant, and a financial analysis of such records, I have learned the following:

a. From in or about October 2016 and in or about August 2023, MERCADO made a large amount of cash deposits into two particular bank accounts ("Account-1" and "Account-2").⁹ Specifically, he made approximately 147 cash deposits of \$100 or more, totaling approximately \$286,000.


b. MERCADO's cash deposits into Account-1 and Account-2 include deposits during the time periods when CW-2 and CW-8 paid MERCADO between approximately 10% and 20% of the contract price per no-bid contract and include numerous deposits in multiples of \$100. Specifically, MERCADO made at least approximately nine deposits of exactly \$500; at least approximately eleven deposits of exactly \$1,000; and at least approximately eleven deposits of exactly \$2,000. In addition, MERCADO made at least approximately 83 other deposits in multiples of \$100 between \$600 and \$10,000.

⁹ Based on my review of financial records for Account-1 and Account-2, I know that the accountholder is listed as "Juan A. Mercado." NYCHA Human Resources records reflect that MERCADO's middle initial is "A," and that the Other Juan Mercado's middle initial is not "A."

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JUAN MERCADO, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s/ **Rasove Ramirez** (By Court with Authorization)
RASOVE RAMIREZ
Special Agent
U.S. Department of Housing and Urban Development
Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 496

UNITED STATES OF AMERICA

v.

GARTH SMALL,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2015 through at least in or about 2020, in the Southern District of New York and elsewhere, GARTH SMALL, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2015 through 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, SMALL solicited and accepted a total of at least approximately \$42,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$400,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about 2015 through at least in or about 2020, in the Southern District of New York and elsewhere, GARTH SMALL, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, SMALL, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due SMALL or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that GARTH SMALL, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2015 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

SMALL’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of GARTH SMALL, the defendant:

a. From at least in or about January 2015 through at least in or about March 2019, SMALL was employed as an assistant superintendent at Mill Brook, a NYCHA development located in the Bronx, New York.

b. From at least in or about March 2019 through at least in or about October 2020, and then from at least in or about September 2021 through at least in or about January 2023, SMALL was employed as an assistant superintendent at Mitchel Houses, a NYCHA development located in the Bronx, New York.

SMALL’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Mill Brook and Mitchel Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2013, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

b. CW-2 began performing no-bid purchase order work at Mill Brook in or about June 2013. CW-2 was awarded at least approximately 39 no-bid contracts at Mill Brook from in or about February 2015 through in or about November 2018, during the time in which GARTH SMALL, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid SMALL approximately \$500 in cash for approximately each of the no-bid contracts CW-2 received from SMALL at Mill Brook.

c. CW-2 began performing no-bid purchase order work at Mitchel Houses in or about June 2017. CW-2 was awarded at least approximately 28 no-bid contracts at Mitchel Houses from in or about April 2019 through in or about April 2020, during the time in which SMALL served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid SMALL approximately \$500 in cash for approximately five of the no-bid contracts CW-2 received from SMALL at Mitchel Houses.

d. CW-2 understood, based on CW-2's interactions with SMALL and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to SMALL, CW-2 would not be awarded additional no-bid contracts for work at Mill Brook and Mitchel Houses.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of SMALL among photographs of dozens of other individuals. CW-2 identified the photograph of SMALL as "Small Groot" at Mill Brook, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.⁴

f. CW-2 has a contact saved in CW-2's cellphone with the name "Small Groth Super" and a particular phone number ending in -9520 (the "SMALL Number"). Based on NYCHA and subscriber records which I have reviewed, I have confirmed that the SMALL Number is a personal phone number used by and subscribed to SMALL.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-24"),⁵ who has performed work at NYCHA's Mill Brook and Mitchel Houses, among other developments, I have learned the following, in substance and in part:

⁴ During the July 26 proffer, when CW-2 – who is not a native English speaker – pronounced the name of the person in the photograph, the name sounded like "Small Groot." CW-2 later confirmed that the name CW-2 was saying is the one saved in CW-2's phone as "Small Groth Super."

⁵ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. CW-24 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-24 know each other.

a. Since at least in or about 2015, CW-24 performed contracting work for NYCHA as an owner of a contracting company (the “CW-24 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Mill Brook in or about December 2015. CW-24 was awarded at least approximately 27 no-bid contracts at Mill Brook from in or about December 2015 through in or about March 2019, during the time in which GARTH SMALL, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-24 paid SMALL approximately \$500 in cash for approximately each of the no-bid contracts CW-24 received from SMALL at Mill Brook.

c. CW-24 began performing no-bid purchase order work at Mitchel Houses in or about October 2015. CW-24 was awarded at least approximately 14 no-bid contracts at Mitchel Houses from in or about April 2019 through in or about March 2020, during the time in which SMALL served as an assistant superintendent at that NYCHA facility. During that time, CW-24 paid SMALL approximately \$500 in cash for approximately each of the no-bid contracts CW-24 received from SMALL at Mitchel Houses.

d. CW-24 understood, based on CW-24’s interactions with SMALL and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to SMALL, CW-24 would not be awarded additional no-bid contracts for work at Mill Brook and Mitchel Houses.

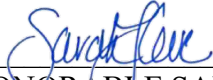
e. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of SMALL among photographs of dozens of other individuals. CW-24 identified the photograph of SMALL as “Smalls Gibson,” whom CW-24 knew primarily as “Smalls,” the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA. During another interview, CW-24 said, in substance and in part, that the first name of “Small” was “something like Garth.”

WHEREFORE, I respectfully request that a warrant be issued for the arrest of GARTH SMALL, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (By Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 497

UNITED STATES OF AMERICA

v.

ELIZABETH TAPIA,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about June 2020 through at least in or about June 2022, in the Southern District of New York and elsewhere, ELIZABETH TAPIA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020, 2021, and 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, TAPIA solicited and accepted a total of at least approximately \$11,000 in bribes in exchange for arranging for certain contractors to receive contracts from NYCHA worth a total of at least approximately \$66,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about June 2020 through at least in or about June 2022, in the Southern District of New York and elsewhere, ELIZABETH TAPIA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, TAPIA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due TAPIA or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that ELIZABETH TAPIA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding or approving payment for contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

TAPIA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of ELIZABETH TAPIA, the defendant:

- a. From at least in or about September 2019 through at least in or about August 2021, TAPIA was employed as a superintendent at Ingersoll Houses, a NYCHA development located in Brooklyn, New York.
- b. From at least in or about August 2021 through at least in or about June 2022, TAPIA was employed as a superintendent at Marlboro Houses, a NYCHA development located in Brooklyn, New York.

TAPIA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with two cooperating witnesses (“CW-5” and “CW-7”)² who have performed work at NYCHA’s Ingersoll Houses and Marlboro Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5” and “CW-7” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 and CW-7 have provided information to law enforcement pursuant to proffer agreements and have testified in the grand jury pursuant to immunity orders. As referenced below, CW-5 and CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately

a. Since at least in or about 2020, CW-5 and CW-7 have performed contracting work for NYCHA as partners with particular contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. As described below, ELIZABETH TAPIA, the defendant, solicited and accepted money from CW-5 and CW-7 in connection with contract work performed by CW-5 and CW-7 at Ingersoll Houses and Marlboro Houses. Specifically, in or about June 2020, during TAPIA's tenure as superintendent at Ingersoll Houses, CW-5 and CW-7 were awarded an approximately \$38,000 bid contract to perform certain work at Ingersoll Houses. After a couple days of CW-5 and CW-7 performing work on the bid contract, TAPIA informed CW-7, in substance and in part, that CW-7 needed to pay her in connection with work at Ingersoll Houses. CW-7 then paid TAPIA \$5,000 in cash, approximately half of which CW-7 received from CW-5 for purposes of paying TAPIA.⁴

c. In or about August 2021, TAPIA was transferred to Marlboro Houses, where she served as superintendent until in or about June 2022. From in or about March 2022 through in or about June 2022, CW-5 and CW-7 were awarded and completed approximately four no-bid purchase order contracts at Marlboro Houses, during the time in which TAPIA served as superintendent at that NYCHA facility. TAPIA continued to solicit and accept money for contracting work that CW-5 and CW-7 performed at Marlboro Houses. Specifically, CW-7 paid TAPIA for at least approximately three no-bid purchase order contracts: two no-bid contracts each valued at approximately \$9,000 and a no-bid contract valued at approximately \$10,000. For each of these contracts, CW-7 paid TAPIA approximately \$2,000 in cash. Eventually, TAPIA told CW-7, in substance and in part, not to "worry about it" and that "we don't have to do this anymore."⁵

d. On or about July 20, 2023, CW-7 reviewed photobooks containing a photograph of TAPIA among photographs of dozens of other individuals, and CW-7 correctly identified the photograph of TAPIA as "Elizabeth Tapia" whom CW-5 and CW-7 had paid at Ingersoll Houses, and whom CW-7 had paid at Marlboro Houses. CW-7 also has a contact saved in CW-7's cellphone with the name "Elizabeth Tapia" and TAPIA's NYCHA email address.

e. On or about July 20, 2023, in a separate meeting than the meeting with CW-7, CW-5 reviewed photobooks containing a photograph of TAPIA among photographs of

from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

⁴ Although CW-7 was the individual who gave the payment to TAPIA, CW-5 and CW-7 typically went to the bank together to obtain the money and discussed the payments they needed to make to certain NYCHA employees.

⁵ TAPIA subsequently contacted CW-7 and asked for \$2,000, which CW-7 did not understand to relate to contracting work at NYCHA. TAPIA and another individual whom CW-7 believed to be TAPIA's husband met CW-7 at a NYCHA development, where TAPIA and CW-7 walked for a while before CW-7 gave TAPIA \$2,000 cash in an envelope.

dozens of other individuals, and CW-5 identified the photograph of TAPIA as the superintendent at Ingersoll Houses whom CW-7 paid.⁶

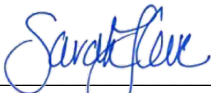
f. CW-5 and CW-7 understood, based on their interactions with TAPIA and with other NYCHA employees who similarly required payments for work, that if CW-5 and CW-7 did not make payments to TAPIA, CW-5 and CW-7 would not be awarded additional no-bid contracts for work at Ingersoll Houses and Marlboro Houses.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of ELIZABETH TAPIA, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (by Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

⁶ CW-5 did not recall TAPIA's name during the July 20, 2023 meeting.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

CURTIS PRIESTER,

Defendant.

24 MAG 499

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about March 2020 through at least in or about June 2021, in the Southern District of New York and elsewhere, CURTIS PRIESTER, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020 and 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, PRIESTER solicited and accepted a total of at least approximately \$6,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$31,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about March 2020 through at least in or about June 2021, in the Southern District of New York and elsewhere, CURTIS PRIESTER, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, PRIESTER under color of official right, obtained money from NYCHA contractors, with their consent, that was not due PRIESTER or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that PRIESTER, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

CURTIS PRIESTER’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CURTIS PRIESTER, the defendant:

a. From at least on or about January 1, 2015, through at least on or about November 13, 2022, PRIESTER was employed as a superintendent at Dyckman Houses, a NYCHA development located in New York, New York.

CURTIS PRIESTER’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)² who has performed work at NYCHA’s Dyckman Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least 2018, CW-1 performed contracting work for NYCHA as an operator of a contracting company (the “CW-1 Company”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-1” and “CW-14” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

b. CW-1 began performing no-bid purchase order work as well as blanket contract work at Dyckman Houses in or about January 2018. CW-1 was awarded at least approximately three no-bid contracts and at least approximately one blanket contract at Dyckman Houses, from in or about January 2018 through in or about August 2020, during the time in which CURTIS PRIESTER, the defendant, served as a superintendent at that NYCHA facility. In or about 2020, after CW-1 had completed the contract work that CW-1 had been awarded, PRIESTER, in substance and in part, told CW-1 that CW-1 had to pay him \$500 per contract. PRIESTER further told CW-1 that CW-1's relative, CW-14, pays him for work at Dyckman Houses. After this conversation, CW-1 gave approximately \$2,000 in cash to PRIESTER. After that payment, PRIESTER signed off on the work that CW-1 had performed at Dyckman Houses, which enabled CW-1 to be paid by NYCHA for the completion of those contracts.

c. CW-1 understood, based on CW-1's interactions with PRIESTER and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to PRIESTER, CW-1 would not be paid for work CW-1 had completed or would not receive future NYCHA contracting work.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of PRIESTER, among photographs of dozens of other individuals. CW-1 correctly identified the photograph of PRIESTER as "Curtis Priester" at Dyckman Houses, the NYCHA employee to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-14"),⁴ who has performed work at NYCHA's Dyckman Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least 2019, CW-14 performed contracting work for NYCHA as an owner, operator, and/or employee of contracting companies (the "CW-14 Companies") that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-14 began performing no-bid purchase order work at Dyckman Houses in or about July 2019. The CW-14 Companies were awarded at least approximately 24 no-bid contracts at Dyckman Houses from in or about July 2019 through in or about June 2021, during the time in which CURTIS PRIESTER, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-14 paid PRIESTER for at least four of the no-bid contracts CW-14 received from PRIESTER at Dyckman Houses. For each of those no-bid contracts, CW-14 paid PRIESTER approximately \$1,000.

⁴ CW-14 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-14 and CW-1 are relatives, and CW-14 has reported that CW-1 assisted in making certain payments to superintendents for work completed by CW-14. During this investigation, CW-14 and CW-1 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with others the contents of their interviews or their grand jury testimony in connection with this investigation.

c. CW-14 understood, based on CW-14's interactions with PRIESTER and with other NYCHA employees who similarly required payments for work, that if CW-14 did not make payments to PRIESTER, CW-14 would not be awarded additional no-bid contracts for work at Dyckman Houses.

d. On or about November 6, 2023, CW-14 reviewed photobooks containing a photograph of PRIESTER among photographs of dozens of other individuals. CW-14 identified the photograph of PRIESTER as "Priester," at the Dyckman Houses, the NYCHA employee to whom CW-14 had made payments in exchange for no-bid contracts from NYCHA.⁵

WHEREFORE, I respectfully request that a warrant be issued for the arrest of CURTIS PRIESTER, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

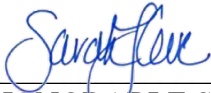
/s Rasove Ramirez (By Court with Authorization)

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development
Office of Inspector General

Sworn to me through the transmission of
this Complaint by reliable electronic
means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

⁵ In grand jury testimony, CW-14, when looking at this same photograph, identified PRIESTER as "Mr. Priest."

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 500

UNITED STATES OF AMERICA

v.

CAROLYN SCOTT,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID EIDAM, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2020 through at least in or about March 2023, in the Southern District of New York and elsewhere, CAROLYN SCOTT, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020, 2021, 2022, and 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, SCOTT solicited and accepted a total of at least approximately \$5,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$42,500.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about January 2020 through at least in or about March 2023, in the Southern District of New York and elsewhere, CAROLYN SCOTT, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, SCOTT, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due SCOTT or her office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with DOL-OIG, and I have been personally involved in the investigation of this matter. I have been employed by DOL-OIG since 2017. I and other members of the investigative team, which includes agents from DOL-OIG, the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that CAROLYN SCOTT, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

CAROLYN SCOTT’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CAROLYN SCOTT, the defendant:

a. From at least on or about July 1, 2019, through at least on or about July 19, 2020, SCOTT was employed as an assistant superintendent at Dyckman Houses, a NYCHA development located in New York, New York.

b. From at least on or about July 20, 2020, through the present, SCOTT has been employed as a superintendent at Rangel Houses, a NYCHA development located in New York, New York.

CAROLYN SCOTT’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has performed work at NYCHA’s Rangel Houses, among other developments,³ and my review of records from CW-2, I have learned the following, in substance and in part:

a. Since at least 2016, CW-2 performed contracting work for NYCHA with contracting companies (the “CW-2 Companies”) that purchased materials from various retailers, including retailers that sold items in interstate commerce.

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

b. The CW-2 Companies began performing no-bid purchase order work at Rangel Houses in or about July 2016. The CW-2 Companies were awarded at least approximately five no-bid contracts at Rangel Houses from in or about May 2022 through in or about March 2023, during the time in which CAROLYN SCOTT, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-2 paid SCOTT for at least approximately two of the no-bid contracts CW-2 received from SCOTT at Rangel Houses. CW-2 paid SCOTT approximately \$1,000 in cash for a no-bid contract that was worth approximately \$7,500 and paid SCOTT approximately \$1,500 in cash for a no-bid contract that was worth approximately \$10,000.

c. CW-2 understood, based on CW-2's interactions with SCOTT and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to SCOTT, CW-2 would not be awarded additional no-bid contracts for work at Rangel Houses.

d. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of SCOTT among photographs of dozens of other individuals. CW-2 correctly identified the photograph of SCOTT as "Carolyn Scott" at Rangel Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-2 has a contact saved in CW-2's cellphone with the name "Carolyn Scottt [*sic*] Super 2" and a particular phone number ending in -9934 (the "SCOTT Number"). Based on email records which I have reviewed, I have confirmed that the SCOTT Number is listed in the signature block for emails from SCOTT's NYCHA email address as SCOTT's cellphone number.

f. CW-2 provided an email chain between CW-2 and SCOTT's NYCHA email address, which, based on the subject line and body of the email, appears to concern a proposal for work to be performed at Rangel Houses.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-24"),⁴ who has performed work at NYCHA's Dyckman Houses, among other developments, I have learned the following, in substance and in part:

a. Since in or about 2019, CW-24 performed contracting work for NYCHA as an owner and operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Dyckman Houses in or about June 2019. CW-24 was awarded at least approximately six no-bid contracts at

⁴ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to those interviews. CW-24 has never worked at any of the contracting companies where CW-2 has worked. CW-2 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-24 know each other.

Dyckman Houses from in or about January 2020 through in or about April 2020, during the time in which CAROLYN SCOTT, the defendant, served as an assistant superintendent at that NYCHA facility. NYCHA records include SCOTT's name in connection with each of these jobs and indicate each of the jobs is "closed" (which indicates a NYCHA employee approved the completed work). During that time, CW-24 paid SCOTT for at least five of the six no-bid contracts CW-24 received from SCOTT at Dyckman Houses. CW-24 paid SCOTT approximately \$500 per no-bid contract. Each of the no-bid contracts that CW-24 received from SCOTT at Dyckman Houses was worth approximately \$5,000.

c. CW-24 understood, based on CW-24's interactions with SCOTT and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to SCOTT, CW-24 would not be awarded additional no-bid contracts for work at Dyckman Houses.

d. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of SCOTT, among photographs of dozens of other individuals. CW-24 identified the photograph of SCOTT as that of the superintendent at Dyckman Houses, the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA, although CW-24 could not recall SCOTT's name.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of CAROLYN SCOTT, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

/s David Eidam (By Court with Authorization)

DAVID EIDAM
Special Agent
U.S. Department of Labor
Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 501

UNITED STATES OF AMERICA

v.

BRETT OWENS,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

RASOVE RAMIREZ, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about January 2020 through at least in or about August 2021, in the Southern District of New York and elsewhere, BRETT OWENS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020 and 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, OWENS solicited and accepted a total of at least approximately \$5,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$55,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about January 2020 through at least in or about August 2021, in the Southern District of New York and elsewhere, BRETT OWENS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, OWENS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due OWENS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HUD-OIG, and I have been personally involved in the investigation of this matter. I have been employed by HUD-OIG since 2008. I and other members of the investigative team, which includes agents from HUD-OIG, the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that BRETT OWENS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

OWENS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of BRETT OWENS, the defendant:

a. From at least in or about June 2017 through at least in or about November 2021, OWENS was employed as an assistant superintendent at Clinton Houses, a NYCHA development located in New York, New York.

OWENS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-12”)² who has performed work at NYCHA’s Clinton Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-12 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-12 began performing no-bid purchase order work at Clinton Houses in or about February 2020. CW-12 was awarded at least approximately two no-bid contracts at Clinton Houses from in or about February 2020 through in or about March 2020, during the time in which BRETT OWENS, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-12 paid OWENS approximately \$500 in cash for each of the approximately two no-bid contracts CW-12 received from OWENS at Clinton Houses, which were each worth approximately \$5,000.

² The cooperating witnesses referenced in this Complaint are designated as “CW-12” and “CW-16” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-12 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

c. CW-12 understood, based on CW-12's interactions with OWENS and with other NYCHA employees who similarly required payments for work, that if CW-12 did not make payments to OWENS, CW-12 would not be awarded no-bid contracts for work at Clinton Houses. Specifically, CW-12 recalled meeting OWENS while looking for work at Clinton Houses, and OWENS informed CW-12, in substance and in part, that CW-12 needed to make payments in order to be awarded contracting work.

d. On or about October 26 and December 12, 2023, CW-12 met with law enforcement and reviewed photobooks containing a photograph of OWENS among photographs of dozens of other individuals. CW-12 identified the photograph of OWENS as "Owens" at Clinton Houses, the NYCHA employee to whom CW-12 had made payments in exchange for no-bid contracts from NYCHA.⁴

e. CW-12 has a contact saved in CW-12's cellphone with the name "owens Super Clinton houses" and a particular phone number ending in -4805 (the "4805 Number"). Based on NYCHA Human Resources records that I have reviewed, I have confirmed that the 4805 Number is a personal phone number associated with OWENS.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-16"),⁵ who has performed work at NYCHA's Clinton Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-16 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. As described below, a superintendent at Clinton Houses whom CW-16 identified as "Brett Owens" solicited and accepted money from CW-16 for no-bid purchase order contracts at that NYCHA facility. CW-16 has a contact saved in CW-16's cellphone with the name "Brett Owens" and the 4805 Number that is associated with BRETT OWENS, the defendant.⁶

⁴ During the October 25, 2023 meeting, CW-12 initially did not identify the person in the photograph of OWENS, but CW-12 subsequently asked to see the photograph of OWENS again and then made the identification at that time.

⁵ CW-16 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-16 has never worked at any of the contracting companies where CW-12 worked. Both CW-12 and CW-16 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-12 and CW-16 know each other.

⁶ On or about December 18, 2023, CW-16 reviewed photobooks containing a photograph of OWENS among photographs of dozens of other individuals, but did not identify the photograph of OWENS, nor did he identify any other photographs as appearing to be the individual CW-16 knew as "Brett Owens," the assistant superintendent at Clinton Houses whom CW-16 paid.

c. CW-16 began performing no-bid purchase order work at Clinton Houses in or about January 2020. CW-16 was awarded at least approximately 10 no-bid contracts at Clinton Houses from in or about January 2020 through in or about August 2021, during the time in which OWENS served as an assistant superintendent at that NYCHA facility. During that time, CW-16 paid OWENS approximately 10% of the contract price in cash per contract for approximately six of the no-bid contracts CW-16 received from OWENS at Clinton Houses. Approximately three of the contracts were each worth approximately \$10,000, and approximately three of the contracts were each worth approximately \$5,000. CW-16 therefore paid OWENS approximately \$1,000 for \$10,000 contracts and approximately \$500 for \$5,000 contracts.

d. CW-16 understood, based on CW-16's interactions with OWENS and with other NYCHA employees who similarly required payments for work, that if CW-16 did not make payments to OWENS, CW-16 would not be awarded additional no-bid contracts for work at Clinton Houses.

10. Based on my review of financial records for BRETT OWENS, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about January 2017 and in or about December 2022, OWENS made approximately 65 cash deposits of \$100 or more, totaling approximately \$33,900, into a particular bank account ("Account-1").

b. OWENS's cash deposits into Account-1 include deposits during the time period when CW-12 paid him \$500 per no-bid contract, after the contracting work had been completed and before the purchase order was closed. For example, OWENS made a cash deposit of approximately \$1,200 into Account-1 on or about March 5, 2020, shortly before one of CW-12's purchase orders was closed on or about March 13, 2020.

c. OWENS's cash deposits into Account-1 also include deposits during the approximate time period when CW-16 paid him between \$500 and \$1,000 per no-bid contract, depending on the contract price, which include at least approximately five deposits of exactly \$500 and at least approximately three deposits of exactly \$1,000. For example, OWENS made cash deposits of \$200 and \$700 on or about October 4, 2020, and October 9, 2020, respectively, around the time that two of CW-16's \$5,000 purchase orders were closed on or about October 8, 2020. As another example, OWENS made two cash deposits of \$500 on or about September 5, 2021, two days before one of CW-16's \$10,000 purchase orders was closed on or about September 7, 2021.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of BRETT OWENS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

/s Rasove Ramirez (By Court with Authorization)

RASOVE RAMIREZ

Special Agent

U.S. Department of Housing and Urban Development

Office of Inspector General

Sworn to me through the transmission of this Complaint by reliable electronic means, this 1st day of February, 2024.



THE HONORABLE SARAH L. CAVE

United States Magistrate Judge

Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

NYMIAH BRANCH,

Defendant.

24 MAG. 504
SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2018 through at least in or about 2019, in the Southern District of New York and elsewhere, NYMIAH BRANCH, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 through 2019, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, BRANCH solicited and accepted a total of at least approximately \$3,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$22,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2018 through at least in or about 2019, in the Southern District of New York and elsewhere, NYMIAH BRANCH, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, BRANCH, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due BRANCH or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that NYMIAH BRANCH, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2019, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after

outreach to multiple prospective bidders. Sometimes the bidding process is for a single job, and other times it is for a “blanket contract” that requires developments to use a particular contractor for all of a certain type of work in a certain area (up to the value of the contract) – for example, a contractor may be awarded a blanket contract to complete up to \$1 million of painting work at developments in the Bronx. Even when a contractor is awarded a blanket contract through a bidding process, however, the contractor must be assigned the specific projects as part of that contract by a NYCHA employee at a particular development – for example, to assign the contractor to paint specific apartments at a development – which allows the contractor to complete work under the contract and be paid by NYCHA.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

BRANCH'S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of NYMIAH BRANCH, the defendant:

a. From at least in or about March 2014 through at least in or about March 2019, BRANCH was employed as a superintendent at Carey Gardens, a NYCHA development located in Brooklyn, New York.

b. From at least in or about March 2019 through at least in or about March 2021, BRANCH was employed as a superintendent at Red Hook West Houses, a NYCHA development located in Brooklyn, New York.

BRANCH'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)² who has performed work at NYCHA’s Red Hook West Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-1” and “CW-5” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2018, CW-1 performed contracting work for NYCHA as an operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 obtained a blanket contract to install approximately 20 doors at Red Hook West in approximately June 2018, and completed in approximately November 2019, during the time in which NYMIAH BRANCH, the defendant, served as a superintendent in that NYCHA facility. The payment amount of the contract was approximately \$17,000. BRANCH did not approve payment for CW-1's work until CW-1 paid BRANCH approximately \$1,500.

c. CW-1 understood, based on CW-1's interactions with BRANCH and with other NYCHA employees who similarly required payments for work, that if CW-1 did not pay BRANCH, CW-1 would not receive payment for the work performed at Red Hook West Houses.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of BRANCH among photographs of dozens of other individuals. CW-1 correctly identified the photograph of BRANCH as "Nymiah Branch" at Red Hook West Houses, the NYCHA employee to whom CW-1 had made a payment in exchange for payment for work CW-1 completed pursuant to the blanket contract.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-5"),⁴ who has performed work at NYCHA's Carey Gardens, among other developments, I have learned the following, in substance and in part:

a. Since in or about 2018, CW-5 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. In or about June 2018, CW-5 was awarded a no-bid contract at Carey Gardens, during the time in which NYMIAH BRANCH, the defendant, served as a superintendent at that NYCHA facility. CW-5 paid BRANCH for this no-bid contract. Specifically, after CW-5 completed work on the contract, BRANCH told CW-5 to "see him," and the following day CW-5 paid BRANCH approximately \$1,500 in cash.

c. CW-5 understood, based on CW-5's interactions with BRANCH and with other NYCHA employees who similarly required payments for work, that if CW-5 did not make payments to BRANCH, CW-5 would not be paid for CW-5's work at Carey Gardens.

d. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of BRANCH among photographs of dozens of other individuals. CW-5 identified the

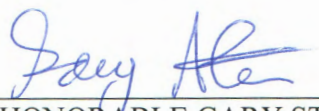
⁴ CW-5 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-5 has never worked at any of the contracting companies where CW-1 worked. Both CW-1 and CW-5 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-1 and CW-5 know each other.

photograph of BRANCH as the superintendent at Carey Gardens, the NYCHA employee to whom CW-5 had made a payment in exchange for payment on a no-bid contract from NYCHA. CW-5 later recalled that this individual's last name was "Branch."

WHEREFORE, I respectfully request that a warrant be issued for the arrest of NYMIAH BRANCH, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.


SEAN D. HUGHES
Special Agent
Homeland Security Investigations

Sworn to before me this 20 day of February, 2024.


THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

CHARLES STARKS,

Defendant.

24 MAG 505
SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about July 2020 through at least in or about June 2022, in the Southern District of New York and elsewhere, CHARLES STARKS, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020, 2021, and 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, STARKS solicited and accepted a total of at least approximately \$7,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$35,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about July 2020 through at least in or about June 2022, in the Southern District of New York and elsewhere, CHARLES STARKS, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, STARKS, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due STARKS or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that CHARLES STARKS, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

CHARLES STARKS’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of CHARLES STARKS, the defendant:

a. From at least on or about October 28, 2019, through the present, STARKS has been employed as a superintendent at Mill Brook Houses, a NYCHA development located in the Bronx, New York.

CHARLES STARKS’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-21”)² who has performed work at NYCHA’s Mill Brook Houses, among other developments,³ and my review of records provided by CW-21, I have learned the following, in substance and in part:

a. From at least 2021 through at least in or about 2023, CW-21 performed contracting work for NYCHA as co-owner of a particular contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-21 began performing no-bid purchase order work at Mill Brook Houses in or about March 2021. CW-21 was awarded at least approximately five no-bid contracts at Mill Brook Houses from in or about March 2021 through in or about June 2022, during the time in which CHARLES STARKS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-21 paid STARKS approximately \$1,000 in cash for each of the no-bid

² The cooperating witnesses referenced in this Complaint are designated as “CW-21” and “CW-6” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-21 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interview.

contracts CW-21 received from STARKS at Mill Brook Houses. The contracts were typically each worth approximately \$5,000.

c. CW-21 understood, based on CW-21's interactions with STARKS and with other NYCHA employees who similarly required payments for work, that if CW-21 did not make payments to STARKS, CW-21 would not be paid for work CW-21 had completed or would not receive future NYCHA contracting work.

d. On or about November 22, 2023, CW-21 reviewed photobooks containing a photograph of STARKS among photographs of dozens of other individuals. CW-21 identified the photograph of STARKS as "Stark" at Mill Brook Houses, the NYCHA employee to whom CW-21 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-21 provided an email between CW-21 and STARKS's NYCHA email address, which, based on the subject line and attachment to the email, appears to attach a proposal for work to be performed at Mill Brook Houses.

f. CW-21 has a contact saved in CW-21's cellphone with the name "Mill Brook Houses Super Starks" and a particular phone number ending in -7506 (the "STARKS Number"). Based on NYCHA directory records which I have reviewed, I have confirmed that the STARKS Number is a phone number associated with CHARLES STARKS.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness ("CW-6"),⁴ who has performed work at NYCHA's Mill Brook Houses, among other developments, and my review of records provided by CW-6, I have learned the following, in substance and in part:

a. Since at least 2020, CW-6 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at Mill Brook Houses in or about July 2020. CW-6 was awarded at least approximately two no-bid contracts at Mill Brook Houses from in or about July 2020 through in or about September 2020, during the time in which CHARLES STARKS, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-6 paid STARKS approximately \$1,000 in cash for each of the no-bid contracts CW-6 received from STARKS at Mill Brook Houses. The contracts were typically each worth approximately \$5,000.

c. CW-6 understood, based on CW-6's interactions with STARKS and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make

⁴ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-6 has never worked at any of the contracting companies where CW-21 worked. Both CW-6 and CW-21 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-6 and CW-21 know each other.

payments to STARKS, CW-6 would not be paid for work CW-6 had completed or would not receive future NYCHA contracting work.

d. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of STARKS among photographs of dozens of other individuals. CW-6 correctly identified the photograph of STARKS as "Charles Starks" at Mill Brook Houses, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.

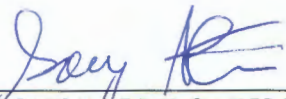
e. CW-6 has a contact saved in CW-6's cellphone with the name listed as STARKS's NYCHA email address and the STARKS Number.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of CHARLES STARKS, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me this 21 day of February, 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG 506

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

JAMES BAEZ,

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about August 2018 through at least in or about May 2019, in the Southern District of New York and elsewhere, JAMES BAEZ, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018 and 2019, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, BAEZ solicited and accepted a total of at least approximately \$2,600 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$22,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about August 2018 through at least in or about May 2019, in the Southern District of New York and elsewhere, JAMES BAEZ, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, BAEZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due BAEZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JAMES BAEZ, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2019, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

BAEZ’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JAMES BAEZ, the defendant:

a. From at least in or about October 2015 through at least in or about June 2019, BAEZ was employed as an assistant superintendent at Queensbridge South, a NYCHA development located in Queens, New York.

BAEZ’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-6”),² who has performed work at NYCHA’s Queensbridge South, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2018, CW-6 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 was awarded approximately seven no-bid contracts at Queensbridge South from in or about March 2019 through in or about May 2019, during the time in which JAMES BAEZ, the defendant, served as an assistant superintendent at that NYCHA facility. NYCHA records include BAEZ’s name in connection with each of the no-bid contracts and indicate each of the contracts was “closed” (which indicates a NYCHA employee approved the completed work). CW-6 paid BAEZ at least approximately \$300 to \$500 in cash for each of at

² The cooperating witnesses referenced in this Complaint are designated as “CW-6” and “CW-3” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

least approximately three of these contracts.⁴ These three contracts were worth approximately \$7,000 in total.

c. On or about July 21, 2023, and November 16, 2023, CW-6 reviewed photobooks containing a photograph of BAEZ among photographs of dozens of other individuals. CW-6 correctly identified the photograph of BAEZ as “James Baez”⁵ at Queensbridge South, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-3”),⁶ who has performed work at NYCHA’s Queensbridge South, among other developments, I have learned the following, in substance and in part:

a. From at least in or about 2018 through in or about 2021, CW-3 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-3 was awarded approximately four no-bid contracts at Queensbridge South in or about August 2018, during the time in which JAMES BAEZ, the defendant, served as an assistant superintendent at that NYCHA facility. NYCHA records include BAEZ’s name in connection with each of the contracts and indicate each of the contracts was “closed.” CW-3 paid BAEZ approximately \$1,500 in total for the four no-bid contracts.⁷ Those four contracts were worth approximately \$15,000 in total. CW-3 later stopped trying to obtain no-bid contracts at Queensbridge South due to the amount of money BAEZ was asking CW-3 to pay for each contract.

c. CW-3 understood, based on his interactions with BAEZ and with other NYCHA employees who similarly required payments for work, that if CW-3 did not make

⁴ During one proffer with the Government, CW-6 recalled paying BAEZ up to approximately \$1,000 for one of the no-bid contracts, but during another proffer CW-6 recalled paying BAEZ up to approximately \$500.

⁵ At times when CW-6 – who is not a native English speaker – pronounced the name of the person in the photograph, the last name sounded like “Baaz or “Baz.”

⁶ CW-3 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interview. CW-3 has never worked at any of the contracting companies where CW-6 worked. Both CW-3 and CW-6 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-3 and CW-6 know each other.

⁷ During a proffer at which CW-3’s recollection was refreshed with records of the specific types of work and contract amounts at Queensbridge South, CW-3 estimated that CW-3 paid BAEZ approximately \$1,500 in total for four contracts. CW-3 later testified before the grand jury, without reference to any records of specific jobs, that he estimated paying BAEZ approximately \$300 to \$700 for each of four to six contracts, but noted that he did not remember the exact number of contracts or exact amounts paid.

payments to BAEZ, CW-3 would not be awarded additional no-bid contracts for work at Queensbridge South.

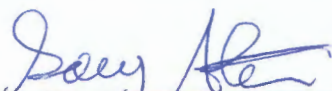
d. On or about October 4, 2023, and November 7, 2023, CW-3 reviewed photobooks containing a photograph of BAEZ among photographs of dozens of other individuals. CW-3 identified the photograph of BAEZ as looking like “John” or “James” or “Jamie” at Queensbridge South, the NYCHA employee to whom CW-3 had made payments in exchange for no-bid contracts from NYCHA.⁸

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JAMES BAEZ, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me this 2nd day of February 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

⁸ There is a NYCHA employee named “John Baez,” a photo of whom was also in the photobooks CW-3 reviewed. CW-3 did not identify John Baez as an individual CW-3 recognized, and John Baez has never worked at Queensbridge South.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG . 507

SEALED COMPLAINT

UNITED STATES OF AMERICA

v.

Violations of 18 U.S.C. §§ 666 and 1951

RIGOBERTO CHARRIEZ,
a/k/a "Ricky,"

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with Homeland Security Investigations ("HSI"), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2016 through at least in or about 2023, in the Southern District of New York and elsewhere, RIGOBERTO CHARRIEZ, a/k/a "Ricky," the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority ("NYCHA"), which received, in the calendar years between 2016 and 2023, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, CHARRIEZ solicited and accepted a total of at least approximately \$70,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$377,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2016 through at least in or about 2023, in the Southern District of New York and elsewhere, RIGOBERTO CHARRIEZ, a/k/a "Ricky," the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, CHARRIEZ, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due CHARRIEZ or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that RIGOBERTO CHARRIEZ, a/k/a “Ricky,” the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2023, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement

transactions “in a manner providing full and open competition.” As such, goods and services must typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as employees or in connection with the actions or duties of any other employee of NYCHA.
- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

CHARRIEZ'S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of RIGOBERTO CHARRIEZ, a/k/a “Ricky,” the defendant:

a. From at least in or about August 2014 through at least in or about August 2017, CHARRIEZ was employed as a supervising groundskeeper at Farragut Houses, a NYCHA development located in Brooklyn, New York. From at least in or about August 2017 through at least in or about November 2018, CHARRIEZ was employed as an assistant superintendent at Farragut Houses.

b. From at least in or about November 2018 through at least in or about March 2019, CHARRIEZ was employed as a superintendent at Ocean Hill and Saratoga Village, NYCHA developments located in Brooklyn, New York.

c. From at least in or about March 2019 through at least in or about January 2020, CHARRIEZ was employed as a superintendent at Tompkins Houses, a NYCHA development located in Brooklyn, New York.

d. From at least in or about February 2020 through at least in or about February 2022, CHARRIEZ was employed as an assistant superintendent at Pink Houses, a NYCHA development located in Brooklyn, New York.

e. From at least in or about February 2022 through at least in or about January 2023, CHARRIEZ was employed as a superintendent at Berry, a NYCHA development located in Queens, New York.

f. From at least in or about April 2023 through at least January 2024, CHARRIEZ was employed as a superintendent at Richmond Terrace, a NYCHA development located in Queens, New York.

CHARRIEZ'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-2")² who has performed work at NYCHA's Farragut Houses, Tompkins Houses, Pink Houses, Berry, and Richmond Terrace, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 was awarded at least approximately 45 no-bid contracts at Farragut Houses from in or about November 2015 through in or about August 2018, during the time in which RIGOBERTO CHARRIEZ, a/k/a "Ricky," the defendant, served as a supervising groundskeeper and an assistant superintendent at that NYCHA facility. During that time, CW-2 paid CHARRIEZ approximately 10% of the contract price for each of the no-bid contracts CW-2 received from CHARRIEZ at Farragut Houses.⁴ The contracts were typically each worth approximately \$5,000, and CW-2 therefore paid CHARRIEZ approximately \$500 in cash per contract.

c. CW-2 was awarded at least approximately 14 no-bid contracts at Tompkins Houses from in or about March 2019 through in or about December 2019, during the time in which CHARRIEZ served as a superintendent at that NYCHA facility. During that time, CW-2 paid CHARRIEZ approximately \$1,000 in cash for each of the no-bid contracts CW-2 received at Tompkins Houses.

d. CW-2 was awarded at least approximately 14 no-bid contracts at Pink Houses from in or about February 2020 through in or about February 2021, during the time in which CHARRIEZ served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid CHARRIEZ approximately \$500 in cash for approximately one no-bid contract CW-2 received at Pink Houses.

e. CW-2 was awarded at least approximately nine no-bid contracts at Berry from in or about April 2022 through in or about October 2022, during the time in which

² The cooperating witnesses referenced in this Complaint are designated as "CW-2" and "CW-24" because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied.

⁴ CW-2 also received contracts from other NYCHA employees at Farragut Houses during this time.

CHARRIEZ served as a superintendent at that NYCHA facility. During that time, CW-2 paid CHARRIEZ approximately 20% of the contract price for each of the no-bid contracts CW-2 received at Berry. The contracts were typically each worth approximately \$10,000, and CW-2 therefore paid CHARRIEZ approximately \$2,000 in cash per contract.

f. CW-2 was awarded at least approximately five no-bid contracts at Richmond Terrace from in or about April 2023 through in or about July 2023, during the time in which CHARRIEZ served as a superintendent at that NYCHA facility. During that time, CW-2 paid CHARRIEZ approximately 20% of the contract price for each of the no-bid contracts CW-2 received at Richmond Terrace. The contracts were typically each worth approximately \$10,000, and CW-2 therefore paid CHARRIEZ approximately \$2,000 in cash per contract.

g. CW-2 understood, based on CW-2's interactions with CHARRIEZ and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to CHARRIEZ, CW-2 would not be awarded additional no-bid contracts for work at these developments.

h. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of CHARRIEZ among photographs of dozens of other individuals. CW-2 identified the photograph of CHARRIEZ as "Rigoberto," a NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

i. CW-2 has a contact saved in CW-2's cellphone with the name "Ricky Super" and a particular phone number ending in -5952 (the "CHARRIEZ Number"). CW-2 identified the CHARRIEZ Number as belonging to the individual to whom CW-2 had made payments at Farragut Houses and Tompkins Houses. Based on law enforcement databases which I have reviewed, I have confirmed that the CHARRIEZ Number is a phone number associated with CHARRIEZ.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-24"),⁵ who has performed work at NYCHA's Farragut Houses, Ocean Hill-Saratoga Village, and Tompkins Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-24 performed contracting work for NYCHA as an owner of a contracting company (the "CW-24 Company") that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 began performing no-bid purchase order work at Farragut Houses in or about August 2015. CW-24 was awarded at least approximately 25 no-bid contracts at Farragut Houses from in or about November 2015 through in or about August 2018, during the

⁵ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. CW-24 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-24 know each other.

time in which RIGOBERTO CHARRIEZ, a/k/a "Ricky," the defendant, served as a supervising groundskeeper and an assistant superintendent at that NYCHA facility. Initially, CHARRIEZ did not ask CW-24 for money. Beginning in or about 2016, however, CHARRIEZ told CW-24, in sum and substance, that CHARRIEZ charged contractors approximately \$1,000 for each no-bid contract.

c. From in or about February 2016 through in or about August 2018, CW-24 paid CHARRIEZ approximately \$1,000 in cash per contract for approximately nine of the no-bid contracts CW-24 received from CHARRIEZ at Farragut Houses.

d. CW-24 began performing no-bid purchase order work at Ocean Hill-Saratoga Village in or about February 2019. CW-24 was awarded at least approximately two no-bid contracts at Ocean Hill-Saratoga Village from in or about February 2019 through in or about March 2019, during the time in which CHARRIEZ served as a superintendent at that NYCHA facility. During that time, CW-24 paid CHARRIEZ approximately \$1,000 in cash for each of the no-bid contracts CW-24 received at Ocean Hill-Saratoga Village.

e. CW-24 began performing no-bid purchase order work at Tompkins Houses in or about March 2016. CW-24 was awarded at least approximately 11 no-bid contracts at Tompkins Houses from in or about April 2019 through in or about September 2019, during the time in which CHARRIEZ served as a superintendent at that NYCHA facility. During that time, CW-24 paid CHARRIEZ approximately \$1,000 in cash for each of the no-bid contracts CW-24 received at Tompkins Houses.

f. CW-24 understood, based on CW-24's interactions with CHARRIEZ and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to CHARRIEZ, CW-24 would not be awarded additional no-bid contracts for work at the developments where CHARRIEZ worked.

g. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of CHARRIEZ among photographs of dozens of other individuals. CW-24 identified the photograph of CHARRIEZ as "Rick," a NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

h. CW-24 has a contact saved in CW-24's cellphone with the name "Rich Charrirz [sic]" and the CHARRIEZ Number.

10. Based on my review of financial records for RIGOBERTO CHARRIEZ, a/k/a "Ricky," the defendant, and a financial analysis of such records, I have learned the following:

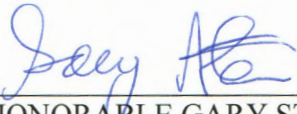
a. From in or about 2016 through in or about 2023, CHARRIEZ made a large amount of cash deposits into a particular bank account ("Account-1"). Specifically, he made approximately 106 cash deposits totaling approximately \$216,200.

b. CHARRIEZ's cash deposits into Account-1 include deposits during the time period during which CW-2 and CW-24 paid him approximately \$1,000 per purchase order. For example, from in or about October 2016 through in or about April 2021, CHARRIEZ deposited \$1,000 in cash into Account-1 on ten separate occasions.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of RIGOBERTO CHARRIEZ, a/k/a "Ricky," the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.


SEAN D. HUGHES
Special Agent
Homeland Security Investigations

Sworn to before me this 2nd day of February, 2024.


THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

24 MAG . 508

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JOSE ESPINAL,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2017 through at least in or about 2020, in the Southern District of New York and elsewhere, JOSE ESPINAL, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2017 through 2020, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, ESPINAL solicited and accepted a total of at least approximately \$5,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$48,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2017 through at least in or about 2020, in the Southern District of New York and elsewhere, JOSE ESPINAL, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, ESPINAL, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due ESPINAL or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JOSE ESPINAL, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2017 through 2020, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

ESPINAL’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JOSE ESPINAL, the defendant:

a. From at least in or about January 2015 through at least in or about January 2019, ESPINAL was employed as a Housing Manager at Langston Hughes Apartments, a NYCHA development located in Brooklyn, New York.²

b. From at least in or about January 2019 through at least in or about February 2022, ESPINAL was employed as a Housing Manager at Van Dyke Houses, a NYCHA development located in Brooklyn, New York.

c. From at least in or about February 2022 through in or about the present, ESPINAL was employed as a Housing Manager at Baisley Park, a NYCHA development located in Queens, New York.

ESPINAL’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)³ who has performed work at NYCHA’s Langston Hughes Apartments, among other developments,⁴ I have learned the following, in substance and in part:

² A Housing Manager is above the superintendent in the organizational structure of a NYCHA development and oversees management and maintenance operations at the development.

³ The cooperating witnesses referenced in this Complaint are designated as “CW-1” and “CW-2” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

⁴ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2015, CW-1 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 began performing no-bid purchase order work at Langston Hughes Apartments in or about 2015. CW-1 was awarded approximately three to six no-bid contracts related to repair work in the management offices at Langston Hughes Apartments in or about 2017, during the time in which JOSE ESPINAL, the defendant, served as a Housing Manager at that NYCHA facility.⁵ CW-1 paid ESPINAL a single cash payment of approximately \$1,500 for all of those no-bid contracts. Specifically, after CW-1 finished the work and brought all of the statements of services for the contracts to ESPINAL for ESPINAL to sign, ESPINAL told CW-1, in substance and in part, "Give me \$1,500 and I will sign off on your jobs." ESPINAL also told CW-1 that another contractor paid ESPINAL for contracts at the development. Several days later, CW-1 returned to the development and paid ESPINAL \$1,500 cash in ESPINAL's office.

c. CW-1 understood, based on his interactions with ESPINAL and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to ESPINAL, ESPINAL would not approve the work CW-1 had completed at Langston Hughes Apartments.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of ESPINAL among photographs of dozens of other individuals. CW-1 correctly identified the photograph of ESPINAL as "Jose Espinal," the manager at Langston Hughes Apartments to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-1 has a contact saved in CW-1's cellphone with the name "Manager Langston Jose" and a particular phone number ending in -4251 (the "4251 Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the 4251 Number is the personal phone number listed for ESPINAL.

f. CW-1 provided certain emails between CW-1 and ESPINAL's NYCHA email address, including emails which attach proposals addressed to "Manager[,] Langston Hughes Houses" for work to be performed in the management office at Langston Hughes Apartments in or about November 2017.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-2"),⁶ who has

⁵ CW-1 was awarded approximately 55 no-bid contracts – including contracts for work on the management office – between in or about February 2015 and in or about September 2018 at Langston Hughes Apartments, all of which are shown as "closed" in NYCHA records (indicating a NYCHA employee approved the completed work), but many of the contracts were awarded by other NYCHA employees and CW-1 did not pay ESPINAL for them.

⁶ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied. CW-2 has never worked at any of

performed work at NYCHA's Van Dyke Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2014, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Van Dyke Houses in or about 2014. CW-2 was awarded at least approximately 29 no-bid contracts at Van Dyke Houses from in or about January 2019 through in or about March 2021, during the time in which JOSE ESPINAL, the defendant, served as a Housing Manager at that NYCHA facility. In or about 2020, CW-2 paid ESPINAL separate payments of approximately \$500 in cash for each of approximately seven no-bid contracts of approximately \$5,000 each that CW-2 received at Van Dyke Houses (all of which NYCHA records indicate are "closed"). CW-2 paid ESPINAL on these approximately seven occasions because ESPINAL told CW-2, in substance and in part, that "if you need work, you need to pay."

c. CW-2 understood, based on his interactions with ESPINAL and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to ESPINAL, CW-2 would not be awarded additional no-bid contracts for work at Van Dyke Houses.

d. On or about July 26, 2023, 2023, CW-2 reviewed photobooks containing a photograph of ESPINAL among photographs of dozens of other individuals. CW-2 identified the photograph of ESPINAL as "Jose or Jorge Espinal," a manager from Baisley Park and Van Dyke Houses to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.⁷

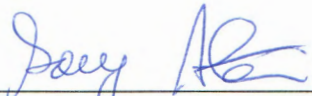
the contracting companies where CW-1 worked. It appears CW-1 and CW-2 know each other as competitors in the contracting business, but CW-1 has stated that CW-1 and CW-2 have never discussed paying NYCHA employees. Both CW-1 and CW-2 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation.

⁷ Although CW-2 could not recall when first identifying the photograph if the individual's name was Jose or Jorge, at later times CW-2 correctly recalled the manager's name was Jose Espinal.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JOSE ESPINAL, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.


SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me this 2nd day of February, 2024.


THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG. 509

UNITED STATES OF AMERICA

v.

MANUEL GARCIA,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about May 2018 through at least in or about February 2021, in the Southern District of New York and elsewhere, MANUEL GARCIA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2018, 2019, 2020, and 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, GARCIA solicited and accepted a total of at least approximately \$12,600 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$50,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about May 2018 through at least in or about February 2021, in the Southern District of New York and elsewhere, MANUEL GARCIA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, GARCIA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due GARCIA or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that MANUEL GARCIA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2018 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

GARCIA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of MANUEL GARCIA, the defendant:

- a. From at least in or about May 2018 through at least in or about August 2018, GARCIA was employed as a superintendent at Mott Haven Houses, a NYCHA development located in the Bronx, New York.
- b. From at least in or about December 2019 through at least in or about January 2023, GARCIA was employed as a superintendent at Richmond Terrace Houses, a NYCHA development located in Staten Island, New York.
- c. GARCIA retired from NYCHA in or about January 2023.

GARCIA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-5”)² who has performed work at NYCHA’s Mott Haven Houses and Richmond Terrace Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-5,” “CW-7,” and “CW-14” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-5 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2018, CW-5 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.⁴

b. CW-5 began performing no-bid purchase order work at Mott Haven Houses in or about May 2018. CW-5 was awarded at least approximately three no-bid contracts at Mott Haven Houses from in or about May 2018 through in or about July 2018, during the time in which MANUEL GARCIA, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-5 paid GARCIA a total of approximately \$1,500 for approximately all three no-bid contracts that CW-5 received from GARCIA at Mott Haven Houses, which were worth approximately \$5,000 in the aggregate.

c. CW-5 was initially referred to GARCIA by a NYCHA assistant superintendent who had worked at Mitchel Houses with GARCIA and who had required and accepted payments from CW-5 in connection with no-bid purchase order contracts (the "Mitchel Assistant Superintendent").⁵ The Mitchel Assistant Superintendent told CW-5, in substance and in part, to go see GARCIA for work and to pay GARCIA for work at Mott Haven Houses. The Mitchel Assistant Superintendent called GARCIA in CW-5's presence and informed GARCIA, in substance and in part, that he would be sending CW-5 to GARCIA. After GARCIA awarded CW-5's first no-bid contract at Mott Haven Houses, GARCIA told CW-5 how much money GARCIA wanted in exchange for awarding no-bid contracts to CW-5.

d. In or about December 2019, GARCIA was assigned to Richmond Terrace Houses as a superintendent. CW-5 began performing no-bid purchase order work at Richmond Terrace Houses in or about May 2020. CW-5 was awarded at least approximately six no-bid contracts at Richmond Terrace Houses from in or about May 2020 through in or about February 2021, during the time in which GARCIA served as a superintendent at that NYCHA facility. During that time, CW-5 paid GARCIA approximately \$1,500 for each of these no-bid contracts, which were each worth approximately \$5,000.

e. CW-5 understood, based on CW-5's interactions with GARCIA and with other NYCHA employees who similarly required payments for work, that if CW-5 did not make

⁴ CW-5's business partner ("CW-7") performed contracting work with CW-5 with the same contracting companies. CW-7 has also provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-5 and CW-7 have both worked at the same company for multiple years and still communicate with each other socially. During this investigation, CW-5 and CW-7 were at all times interviewed separately from each other and neither was present when the other made the statements described herein, and they were instructed by law enforcement not to discuss with each other the contents of their interviews or their grand jury testimony in connection with this investigation.

⁵ Based on my review of employment records provided by NYCHA and my discussions with CW-5, I know that from at least in or about March 2018 through at least in or about May 2018, CW-5 performed contracting work at Mitchel Houses, the Mitchel Assistant Superintendent served as an assistant superintendent at Mitchel Houses, and GARCIA served as superintendent at Mitchel Houses immediately before his transfer to Mott Haven Houses.

payments to GARCIA, CW-5 would not be awarded additional no-bid contracts for work at Mott Haven Houses or Richmond Terrace Houses.

f. On or about July 20, 2023, CW-5 reviewed photobooks containing a photograph of GARCIA among photographs of dozens of other individuals. CW-5 identified the photograph of GARCIA as “Manny” at Mott Haven and Richmond Terrace, the NYCHA employee to whom CW-5 had made payments in exchange for no-bid contracts from NYCHA.

g. On or about July 20, 2023, in a separate meeting than the meeting with CW-5, CW-7 reviewed photobooks containing a photograph of GARCIA among photographs of dozens of other individuals. CW-7 correctly identified the photograph of GARCIA as “Manuel Garcia,” a NYCHA superintendent in Staten Island to whom CW-5 had made payments in exchange for no-bid contracts from NYCHA.⁶

h. CW-5 has a contact saved in CW-5’s cellphone with the name “Mani Super” and a particular phone number ending in -0475 (the “GARCIA Number”). Based on commercial and law enforcement databases that I have reviewed, I have confirmed that the GARCIA Number is a personal phone number associated with GARCIA as well as with a residential address in New Milford, New Jersey (the “GARCIA Address”). Based on my review of NYCHA Human Resources records, I have confirmed that the GARCIA Address is the address listed for GARCIA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-14”),⁷ who has performed work at NYCHA’s Richmond Terrace Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-14 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-14 began performing no-bid purchase order work at Richmond Terrace Houses in or about February 2020. CW-14 was awarded approximately nine no-bid contracts at Richmond Terrace Houses from in or about February 2020 through in or about December 2022 (all of which were listed in NYCHA records as “closed,” indicating that a NYCHA employee approved the completed work), during the time in which MANUEL GARCIA, the defendant,

⁶ Although CW-5 was the individual who made the payments to GARCIA, CW-7 had contemporaneous knowledge of these payments because CW-5 and CW-7 typically went to the bank together to obtain the money before traveling together to the development where CW-5 paid GARCIA.

⁷ CW-14 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-14 has never worked at any of the contracting companies where CW-5 and CW-7 worked. CW-5, CW-7, and CW-14 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-14 knows CW-5 or CW-7.

served as a superintendent at that NYCHA facility.⁸ During that time, CW-14 paid GARCIA approximately \$700 for each of approximately three to four no-bid contracts at Richmond Terrace Houses that were each worth approximately \$5,000.

c. CW-14 recalled that GARCIA demanded a payment in connection with the first no-bid contract that CW-14 performed at Richmond Terrace. After CW-14 submitted the "statement of service" upon completing the contracting work, GARCIA, in substance and in part, demanded that CW-14 pay GARCIA before GARCIA would close the contract (thereby allowing CW-14 to be paid for the work CW-14 performed). CW-14 understood, based on CW-14's interactions with GARCIA and with other NYCHA employees who similarly required payments for work, that if CW-14 did not make payments to GARCIA, GARCIA would not close the contract and CW-14 would not be awarded additional no-bid contracts for work at Richmond Terrace.

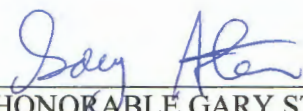
d. On or about November 6, 2023, CW-14 reviewed photobooks containing a photograph of GARCIA among photographs of dozens of other individuals. CW-14 identified the photograph of GARCIA as "Mr. Garcia" at Richmond Terrace Houses, the NYCHA employee to whom CW-14 had made payments in exchange for no-bid contracts from NYCHA. On or about December 14, 2023, CW-14 met again with law enforcement officers and reviewed the same photograph of GARCIA that CW-14 had previously identified as "Mr. Garcia," among photographs of several other individuals. CW-14 identified the photograph of GARCIA as "Manny Garcia" at Richmond Terrace Houses.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MANUEL GARCIA, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me this 22 day of February, 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

⁸ CW-14 recalled performing contracting work at Richmond Terrace between approximately 2019 and 2023.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

24 MAG. 510

UNITED STATES OF AMERICA

SEALED COMPLAINT

v.

Violations of 18 U.S.C. §§ 666 and 1951

JAIME LAN,
a/k/a "Jimmy,"

COUNTY OF OFFENSE:
NEW YORK

Defendant.

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with Homeland Security Investigations ("HSI"), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2016 through at least in or about 2021, in the Southern District of New York and elsewhere, JAIME LAN, a/k/a "Jimmy," the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority ("NYCHA"), which received, in the calendar years 2016 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, LAN solicited and accepted a total of at least approximately \$15,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$150,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about 2016 through at least in or about 2021, in the Southern District of New York and elsewhere, JAIME LAN, a/k/a "Jimmy," the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, LAN, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due LAN or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JAIME LAN, a/k/a “Jimmy,” the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2016 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

LAN'S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JAIME LAN, a/k/a “Jimmy,” the defendant:

a. From at least in or about September 2015 through at least in or about August 2017, LAN was employed as a superintendent at Rangel Houses, a NYCHA development located in Manhattan, New York.

b. From at least in or about August 2017 through at least in or about October 2018, LAN was employed as a superintendent at Polo Grounds Towers, a NYCHA development located in Manhattan, New York.

c. From at least in or about January 2019 through at least in or about January 2021, LAN was employed as an assistant superintendent at Albany Houses, a NYCHA development located in Brooklyn, New York.

d. From at least in or about February 2021 through at least in or about October 2021, LAN was employed as a superintendent at Sumner, a NYCHA development located in Brooklyn, New York.

e. LAN retired from NYCHA in or about December 2021.

LAN'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)² who has

² The cooperating witnesses referenced in this Complaint are designated as “CW-2” and “CW-16” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

performed work at NYCHA's Rangel Houses and Albany Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2016, CW-2 performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-2 began performing no-bid purchase order work at Rangel Houses in or about July 2016. CW-2 was awarded at least approximately 13 no-bid contracts at Rangel Houses from in or about July 2016 through in or about August 2017, during the time in which JAIME LAN, a/k/a "Jimmy," the defendant, served as a superintendent at that NYCHA facility. During that time, CW-2 paid LAN approximately 10% of the contract price in cash for approximately all of the no-bid contracts CW-2 received from LAN at Rangel Houses. The contracts were typically each worth approximately \$3,000, and CW-2 therefore paid LAN approximately \$300 per contract.

c. CW-2 began performing no-bid purchase order work at Albany Houses in or about July 2018. CW-2 was awarded at least approximately 24 no-bid contracts at Rangel Houses from in or about January 2019 through in or about September 2020, during the time in which LAN served as an assistant superintendent at that NYCHA facility. During that time, CW-2 paid LAN approximately 10% of the contract price in cash for approximately all of the no-bid contracts CW-2 received from LAN at Rangel Houses. The contracts were typically each worth approximately \$4,000, and CW-2 therefore paid LAN approximately \$400 per contract.

d. CW-2 understood, based on CW-2's interactions with LAN and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to LAN, CW-2 would not be awarded additional no-bid contracts for work at Rangel Houses and Albany Houses.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of LAN among photographs of dozens of other individuals. CW-2 identified the photograph of LAN as "Jimmy" at Rangel Houses and Albany Houses, the NYCHA employee to whom CW-2 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-16"),⁴ who has

³ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews.

⁴ CW-16 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-16 has never worked at any of the contracting companies where CW-2 worked. Both CW-2 and CW-16 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-2 and CW-16 know each other.

performed work at NYCHA's Sumner, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2021, CW-16 performed contracting work for NYCHA with contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

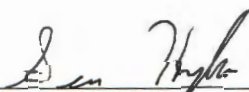
b. CW-16 began performing no-bid purchase order work at Sumner in or about May 2021. CW-16 was awarded at least approximately one no-bid contract at Sumner in or about May 2021, during the time in which JAIME LAN, a/k/a "Jimmy," the defendant, served as a superintendent at that NYCHA facility. CW-16 paid LAN for the no-bid contract at Sumner, but does not recall the amount.

c. CW-16 understood, based on CW-16's interactions with LAN and with other NYCHA employees who similarly required payments for work, that if CW-16 did not make payments to LAN, CW-16 would not be awarded additional no-bid contracts for work at Sumner.

d. On or about December 18, 2023, CW-16 reviewed photobooks containing a photograph of LAN among photographs of dozens of other individuals. CW-16 identified the photograph of LAN as "Jaime" at Sumner and Polo Grounds Towers (where LAN previously worked), the NYCHA employee to whom CW-16 had made a payment in exchange for a no-bid contract from NYCHA.

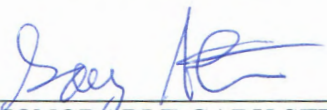
e. CW-16 has a contact saved in CW-16's cellphone with the name "Jaime Polo Grounds" and a particular phone number ending in -2850 (the "LAN Number"). Based on subscriber records which I have reviewed, I have confirmed that the LAN Number is a personal phone number subscribed to LAN.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JAIME LAN, a/k/a "Jimmy," the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
Homeland Security Investigations

Sworn to before me this 2nd day of February, 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

HENRY MCPHATTER,

Defendant.

24 MAG. 511
~~SEALED COMPLAINT~~

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about June 2020 through at least in or about May 2022, in the Southern District of New York and elsewhere, HENRY MCPHATTER, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2020, 2021, and 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, MCPHATTER solicited and accepted a total of at least approximately \$15,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$90,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about June 2020 through at least in or about May 2022, in the Southern District of New York and elsewhere, HENRY MCPHATTER, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, MCPHATTER, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due MCPHATTER or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that HENRY MCPHATTER, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2020 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

HENRY MCPHATTER’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of HENRY MCPHATTER, the defendant:

a. From at least on or about March 5, 2019, through at least on or about August 15, 2021, MCPHATTER was employed as an assistant superintendent at Rangel Houses, a NYCHA development located in New York, New York.

b. From at least on or about March 14, 2022, through at least on or about January 29, 2023, MCPHATTER was employed as a superintendent at Brevoort Houses, a NYCHA development located in Brooklyn, New York.

HENRY MCPHATTER’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, my discussions with a cooperating witness (“CW-1”),² who has performed work at NYCHA’s Brevoort Houses, among other developments,³ and my review of records from CW-1, I have learned the following, in substance and in part:

a. Since at least 2015, CW-1 performed contracting work for NYCHA as an operator of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 began performing no-bid purchase order work at Brevoort Houses in or about February 2015. CW-1 was awarded at least approximately three no-bid contracts at Brevoort Houses from in or about April 2022 through in or about May 2022, during the time in which HENRY MCPHATTER, the defendant, served as a superintendent at that NYCHA facility.

² The cooperating witnesses referenced in this Complaint are designated as “CW-1” and “CW-6” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

During that time, CW-1 paid MCPHATTER approximately 10% of the contract price for all or nearly all of the no-bid contracts CW-1 received from MCPHATTER at Brevoort Houses. Those contracts were worth approximately \$10,000 each, and CW-1 therefore paid MCPHATTER approximately \$1,000 per contract.

c. CW-1 understood, based on CW-1's interactions with MCPHATTER and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to MCPHATTER, CW-1 would not be awarded additional no-bid contracts for work at Brevoort Houses.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of MCPHATTER among photographs of dozens of other individuals. CW-1 identified the photograph of MCPHATTER as "Henry" at Brevoort Houses, the NYCHA employee to whom CW-1 had made payments in exchange for no-bid contracts from NYCHA.

e. CW-1 has a contact saved in CW-1's cellphone with the name "Assi super Rangel-Henry" and a particular phone number ending in -0817 (the "MCPHATTER Number"). Based on NYCHA Human Resources records which I have reviewed, I have confirmed that the MCPHATTER Number is a personal phone number used by MCPHATTER.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-6") who has performed work at NYCHA's Rangel Houses and Brevoort Houses, among other developments,⁴ I have learned the following, in substance and in part:

a. Since at least 2018, CW-6 performed contracting work for NYCHA with contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-6 began performing no-bid purchase order work at Rangel Houses in or about July 2018. CW-6 was awarded at least approximately four no-bid contracts at Rangel Houses from in or about June 2020 through in or about November 2020, during the time in which HENRY MCPHATTER, the defendant, served as an assistant superintendent at that NYCHA facility. During that time, CW-6 paid MCPHATTER approximately 20% of the contract price for all or nearly all of the no-bid contracts CW-6 received from MCPHATTER at Rangel Houses. Three of the contracts were each worth approximately \$5,000, and one of those contracts was worth approximately \$10,000.

c. CW-6 began performing no-bid purchase order work at Brevoort Houses in or about September 2020. CW-6 was awarded at least approximately four no-bid contracts at Brevoort Houses from in or about April 2022 through in or about May 2022, during the time in

⁴ CW-6 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-6 has never worked at any of the contracting companies where CW-1 worked. Both CW-6 and CW-1 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-6 and CW-1 know each other.

which MCPHATTER served as a superintendent at that NYCHA facility. During that time, CW-6 paid MCPHATTER approximately 20% of the contract price for all or nearly all of the no-bid contracts CW-6 received from MCPHATTER at Brevoort Houses. Three of the contracts were each worth approximately \$10,000, and one of those contracts was worth approximately \$5,000.

d. CW-6 understood, based on CW-6's interactions with MCPHATTER and with other NYCHA employees who similarly required payments for work, that if CW-6 did not make payments to MCPHATTER, CW-6 would not be awarded additional no-bid contracts for work at Rangel Houses and Brevoort Houses.

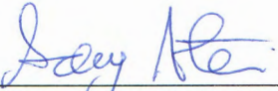
e. On or about July 21, 2023, CW-6 reviewed photobooks containing a photograph of MCPHATTER among photographs of dozens of other individuals. CW-6 correctly identified the photograph of MCPHATTER as "Henry McPhatter" at Rangel and Brevoort Houses, the NYCHA employee to whom CW-6 had made payments in exchange for no-bid contracts from NYCHA.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of HENRY MCPHATTER, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me this 2nd day of February, 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

24 MAG . 512 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

EDDIE QUETELL,

Defendant.

SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAND. HUGHES, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Homeland Security – Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE

**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about September 2017 through at least in or about May 2021, in the Southern District of New York and elsewhere, EDDIE QUETELL, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2017 through 2021, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, QUETELL solicited and accepted a total of at least approximately \$9,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$85,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO

(Extortion Under Color of Official Right)

2. From at least in or about September 2017 through at least in or about May 2021, in the Southern District of New York and elsewhere, EDDIE QUETELL, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, QUETELL, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due QUETELL or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from HSI, the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that EDDIE QUETELL, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at NYCHA developments, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2017 through 2021, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

QUETELL'S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of EDDIE QUETELL, the defendant:

a. From at least in or about March 2017 through at least in or about March 2019, QUETELL was employed as a superintendent at Grant Houses, a NYCHA development located in New York, New York.

b. From at least in or about April 2019 through at least in or about November 2020, QUETELL was employed as a superintendent at Jackie Robinson Houses, a NYCHA development located in New York, New York.

c. From at least in or about November 2020 through at least in or about July 2021, QUETELL was employed as a superintendent at Rutgers Houses, a NYCHA development located in New York, New York.

d. QUETELL ceased his employment with NYCHA in or about October 2021.

QUETELL'S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-1”)² who has performed work at NYCHA’s Jackie Robinson Houses, among other developments,³ I have learned the following, in substance and in part:

² The cooperating witnesses referenced in this Complaint are designated as “CW-1,” “CW-2,” and “CW-11” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-1 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

a. Since at least in or about 2013, CW-1 performed contracting work for NYCHA with certain contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-1 began performing no-bid purchase order work at Jackie Robinson Houses in or about 2013. CW-1 was awarded approximately one no-bid contract at Jackie Robinson Houses in or about June 2019 (which is listed in NYCHA records as “closed,” indicating a NYCHA employee approved the completed work), during the time in which EDDIE QUETELL, the defendant, served as a superintendent at that NYCHA facility.⁴ QUETELL asked CW-1 for payment, and CW-1 paid QUETELL approximately \$500 in cash for the approximately \$5,000 no-bid contract.⁵

c. CW-1 understood, based on his interactions with QUETELL and with other NYCHA employees who similarly required payments for work, that if CW-1 did not make payments to QUETELL, CW-1 would not be awarded additional no-bid contracts for work at Jackie Robinson Houses.

d. On or about August 24, 2023, CW-1 reviewed photobooks containing a photograph of QUETELL among photographs of dozens of other individuals. CW-1 correctly identified the photograph of QUETELL as “Eddie Quetell” at Jackie Robinson Houses, the NYCHA employee to whom CW-1 had made at least one payment in exchange for a no-bid contract from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-2”)⁶ who has performed work at NYCHA’s Jackie Robinson and Grant Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2015, CW-2 has performed contracting work for NYCHA with several contracting companies that purchased materials from various retailers, including retailers that sold items in interstate commerce.

⁴ CW-1 previously knew QUETELL from obtaining no-bid contracts from QUETELL at Grant Houses, but CW-1 did not pay QUETELL at Grant Houses.

⁵ In the first proffer meeting, CW-1 recalled paying QUETELL \$500 for one no-bid contract, but in subsequent proffer meetings and testimony CW-1 estimated paying QUETELL \$1,000 total for approximately two to three contracts.

⁶ CW-2 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement during additional interviews pursuant to an agreement to extend the same immunity protections to the interviews. Based on my review of immigration records, I have learned that, based on matching biometric information, CW-2 appears to have previously applied for immigration benefits under a different name, which application was denied. CW-2 has never worked at any of the contracting companies where CW-1 worked. It appears CW-1 and CW-2 know each other as competitors in the contracting business, but CW-1 has stated that CW-1 and CW-2 have never discussed paying NYCHA employees.

b. CW-2 began performing no-bid purchase order work at Grant Houses in or about 2015. CW-2 was awarded approximately nine no-bid contracts at Grant Houses between in or about September 2017 and in or about November 2018 (all of which are listed in NYCHA records as “closed”), during the time in which EDDIE QUETELL, the defendant, served as a superintendent at that NYCHA facility. CW-2 paid QUETELL approximately \$500 in cash each for all or nearly all of the approximately \$5,000 no-bid contracts after QUETELL began giving CW-2 difficulty in approving CW-2’s work.⁷

c. When QUETELL was later assigned to Jackie Robinson Houses, CW-2 began paying QUETELL at that development. CW-2 paid QUETELL approximately \$500 or \$600 in cash each for approximately seven no-bid contracts at Jackie Robinson Houses between approximately August 2019 and September 2019.⁸ All of the contracts are listed in NYCHA records as “closed.”

d. CW-2 understood, based on CW-2’s interactions with QUETELL and with other NYCHA employees who similarly required payments for work, that if CW-2 did not make payments to QUETELL, CW-2 would not be awarded additional no-bid contracts for work at Jackie Robinson Houses or Grant Houses or QUETELL would not approve work that CW-2 had already completed.

e. On or about July 26, 2023, CW-2 reviewed photobooks containing a photograph of QUETELL among photographs of dozens of other individuals. CW-2 identified the photograph of QUETELL as an individual he had paid at Grant Houses whom CW-2 believed did not work for NYCHA anymore.⁹

⁷ CW-2 could not recall the specific contracts for which CW-2 paid QUETELL, but recalled always paying one of three employees for contracts that CW-2 received at Grant Houses. The prior superintendent, whom CW-2 identified by name and photograph, transferred from Grant Houses to a different development on the day before QUETELL began working at Grant Houses, and the other superintendent arrived at Grant Houses in or about November 2018. The approximately nine no-bid contracts were therefore awarded to CW-2 at a time when the other two individuals whom CW-2 paid at Grant Houses were not employed at that development. When testifying, CW-2 estimated that CW-2 had paid QUETELL between five and ten times in total.

⁸ CW-2 received other contracts at Jackie Robinson Houses from other employees such as the manager, and did not have to pay for those contracts.

⁹ When looking at the photobook, CW-2 identified the photograph of QUETELL as “Larry,” but during later interviews CW-2 referred to “Eddie” whom CW-2 had paid at Grant Houses in or about 2018 and at Jackie Robinson Houses in or about 2019 and 2020, and also noted when discussing Grant Houses that “Eddie” was one of the individuals he had identified in the photographs (although he had not identified any of the other photographs as “Eddie”). This suggests CW-2’s identification of QUETELL as “Larry” was an error or a misunderstanding of what CW-2 said, as CW-2 is not a native English speaker and the interview was conducted with the assistance of an interpreter. When testifying, CW-2 could not recall the name of the individual CW-2 had paid at Grant and Jackie Robinson Houses, but again identified a photo of QUETELL as the person CW-2 paid.

10. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-11”),¹⁰ who has performed work at NYCHA’s Rutgers Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2017, CW-11 performed contracting work for NYCHA as the owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

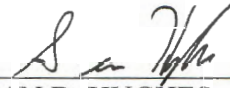
b. CW-11 was awarded approximately one no-bid contract at Rutgers Houses in or about February 2021 (which is listed in NYCHA records as “closed” in or about May 2021), during the time in which EDDIE QUETELL, the defendant, served as a superintendent at that NYCHA facility. After CW-11 had completed the work for the contract, but before QUETELL approved the work, QUETELL told CW-11, in substance and in part, that QUETELL needed to fix his vehicle and asked CW-11 to help him, which CW-11 understood to be a request for money. CW-11 paid QUETELL approximately \$500 in cash for the approximately \$5,000 no-bid contract because CW-11 had known QUETELL since QUETELL worked at Grant Houses and believed QUETELL would make it difficult to get the contract closed – which is required to allow CW-11 to get paid by NYCHA – if CW-11 did not pay QUETELL as requested.¹¹

c. On or about September 28, 2023, CW-11 reviewed photobooks containing a photograph of QUETELL among photographs of dozens of other individuals. CW-11 identified the photograph of QUETELL as the individual from Grant Houses and Rutgers Houses who asked CW-11 for money, although CW-11 did not recall the individual’s name. On a later date, CW-11 recalled the individual’s first name was “Eddie,” and CW-11 subsequently provided QUETELL’s NYCHA email address as the individual’s email address.

¹⁰ CW-11 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order. CW-11 has never worked at any of the contracting companies where CW-1 or CW-2 worked, although it appears CW-1 and CW-2 know CW-11 as a competitor in the contracting business. CW-1, CW-2, and CW-11 were all interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation.

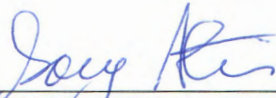
¹¹ CW-11 testified that the development at which CW-11 paid QUETELL was Grant Houses.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of EDDIE QUETELL, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
U.S. Department of Homeland Security
Homeland Security Investigations

Sworn to before me this 2nd day of February, 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JOHN RIVERA,

Defendant.

24 MAG 513
SEALED COMPLAINT

Violations of 18 U.S.C. §§ 666 and 1951

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

SEAN D. HUGHES, being duly sworn, deposes and says that he is a Special Agent with Homeland Security Investigations (“HSI”), and charges as follows:

COUNT ONE
**(Solicitation and Receipt of a Bribe by Agent of
Organization Receiving Federal Funds)**

1. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, JOHN RIVERA, the defendant, being an agent of an organization, and of a state, local, and Indian tribal government, and an agency thereof, to wit, the New York City Housing Authority (“NYCHA”), which received, in the calendar years 2019 through 2022, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of federal assistance, corruptly solicited and demanded for the benefit of a person, and accepted and agreed to accept, a thing of value from a person, intending to be influenced and rewarded in connection with business, a transaction, and a series of transactions of NYCHA involving a thing of value of \$5,000 and more, to wit, RIVERA solicited and accepted a total of at least approximately \$7,500 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least approximately \$60,000.

(Title 18, United States Code, Section 666(a)(1)(B).)

COUNT TWO
(Extortion Under Color of Official Right)

2. From at least in or about 2019 through at least in or about 2022, in the Southern District of New York and elsewhere, JOHN RIVERA, the defendant, knowingly committed and attempted to commit extortion, as that term is defined in Title 18, United States Code, Section 1951(b)(2), and thereby obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, as that term is defined in Title 18, United States Code, Section 1951(b)(3), to wit, RIVERA, under color of official right, obtained money from NYCHA contractors, with their consent, that was not due RIVERA or his office.

(Title 18, United States Code, Section 1951.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

OVERVIEW

3. I am a Special Agent with HSI currently assigned to the Document and Benefit Fraud Task Force, and I have been personally involved in the investigation of this matter. I have been employed by HSI since June 2018. I and other members of the investigative team, which includes agents from the New York City Department of Investigation (“NYC DOI”) – Office of the Inspector General for NYCHA (“NYCHA-OIG”), the United States Department of Housing and Urban Development – Office of Inspector General (“HUD-OIG”), the United States Department of Labor – Office of Inspector General (“DOL-OIG”), and the United States Attorney’s Office for the Southern District of New York (“USAO-SDNY”) (collectively, the “Investigating Agencies”), have experience with bribery and extortion investigations and techniques associated with such investigations.

4. This affidavit is based in part upon my own observations, my conversations with other law enforcement agents and others, my examination of documents and reports prepared by others, my interviews of witnesses, and my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents, including emails, and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where specifically indicated otherwise.

5. As set forth in more detail below, there is probable cause to believe that JOHN RIVERA, the defendant, an employee of NYCHA at all relevant times, solicited and accepted bribes from contractors in exchange for awarding no-bid contracts for work performed at a NYCHA development, and extorted contractors under color of official right.

BACKGROUND REGARDING NYCHA AND NO-BID PROCESS

6. Based on my training and experience, review of records and manuals maintained by NYCHA, discussions with NYCHA employees, and discussions with other agents with the Investigating Agencies, I have learned that:

a. NYCHA is a New York City public entity that provides housing to low- and moderate-income New York City residents.

b. NYCHA’s operations are funded, in part, by grants from the United States Department of Housing and Urban Development (“HUD”). In each year from at least 2019 through 2022, HUD provided over \$1.5 billion in funding to NYCHA, making up a substantial portion of NYCHA’s budget.

c. NYCHA procurements funded at least in part through federal funds must abide by various federal regulations, including that NYCHA must conduct all procurement transactions “in a manner providing full and open competition.” As such, goods and services must

typically be purchased via a bidding process in which NYCHA receives multiple bids after outreach to multiple prospective bidders.

d. When the value of a contract is under a certain threshold (sometimes called a “micro purchase,” and which contractors often refer to as a “purchase order” or “PO” contract), designated staff at NYCHA developments may hire a contractor of their choosing without soliciting multiple bids in order to quickly procure goods or services. This “no-bid” process is faster than the general NYCHA procurement process, and selection of the contractor requires approval of only the designated staff at the development where the work is to be performed. As is relevant to this Complaint, the threshold for a no-bid contract was \$5,000 until approximately June 26, 2019, and was then raised to \$10,000.

e. For no-bid contracts, designated NYCHA staff typically communicate with a contractor to request an estimate for the proposed work. The contractor performs an initial site visit and then submits an itemized proposal to the designated staff. The NYCHA employee submits this proposal electronically to the NYCHA Procurement Department, located at 90 Church Street, New York, New York, and upon approval by the Procurement Department a purchase order is issued. After the Procurement Department issues the purchase order, the contractor then performs the work. After the work is completed, a designated NYCHA development staff member performs a site visit. If the staff member deems the contractor’s work satisfactory, the NYCHA staff member approves the contractor’s “statement of services” and submits it to NYCHA, which then issues payment directly to the contractor or to the contractor’s bank account.

f. NYCHA employees receive the NYCHA Human Resources Manual (the “Manual”), including periodic updated versions. Versions of the Manual from at least 2016 to the present state that “Employees of NYCHA may *not*: . . .

- Accept a valuable gift as defined by the NYC Conflicts of Interest Board¹ from anyone that employees know or should know is seeking or receiving anything of value from the City or NYCHA.
- Accept anything from anyone other than NYCHA for doing their NYCHA job, except as may be expressly authorized by NYCHA. . . .
- Fail to report directly and without delay, to the Office of the Inspector General or the New York City Department of Investigation, any and all information concerning conduct that they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest by any officer or employee of NYCHA or the City of New York which concerns their office or employment, or by any person dealing with NYCHA or the City of New York, which concerns their dealings with NYCHA or the City of New York. . . .
- Bribe, attempt to bribe, or solicit, give, agree to accept or accept a gratuity, benefit, money or anything of value in connection with their actions or duties as

¹ The NYC Conflicts of Interest Board defines a “valuable gift” as “any gift to a public servant which has a value of \$50.00 or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form.”

employees or in connection with the actions or duties of any other employee of NYCHA.

- Engage in any dishonest conduct, including but not limited to theft, fraud, [or] deceit, . . . falsifying or inappropriately altering any document, record, file or form of NYCHA or other entity, or knowingly submitting any falsified or inappropriately altered document, record, or form to NYCHA or other entity.
- Coerce or attempt to coerce, by intimidation, threat or harassment, any employee or resident of NYCHA or member of the public to engage in any activity that violates any law, or government regulation or any NYCHA rule or regulation.”

RIVERA’S EMPLOYMENT BY NYCHA

7. Based on my review of records provided by NYCHA, I have learned the following, in substance and in part, regarding the NYCHA employment history of JOHN RIVERA, the defendant:

a. From at least in or about August 2019 through at least in or about June 2023, RIVERA was employed as a superintendent at Monroe Houses, a NYCHA development located in the Bronx, New York.

RIVERA’S SOLICITATION AND RECEIPT OF PAYMENTS

8. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness (“CW-15”)² who has performed work at NYCHA’s Monroe Houses, among other developments,³ I have learned the following, in substance and in part:

a. Since at least in or about 2019, CW-15 performed contracting work for NYCHA as an owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-15 was awarded at least approximately 26 no-bid contracts at Monroe Houses from in or about December 2019 through in or about December 2022, during the time in which JOHN RIVERA, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-15 paid RIVERA between approximately \$500 and \$1,000 in cash for approximately six of the no-bid contracts CW-15 received from RIVERA at Monroe Houses. The contracts CW-15 received from RIVERA were typically worth approximately \$5,000 each.

² The cooperating witnesses referenced in this Complaint are designated as “CW-15” and “CW-24” because this Complaint is being sought simultaneously with dozens of other Complaints charging other NYCHA employees arising out of the same investigation, and the Government has assigned unique numbers to cooperating witnesses across the entire investigation.

³ CW-15 has provided information to law enforcement pursuant to a proffer agreement and has testified in the grand jury pursuant to an immunity order.

c. CW-15 understood, based on CW-15's interactions with RIVERA and with other NYCHA employees who similarly required payments for work, that if CW-15 did not make payments to RIVERA, CW-15 would not be awarded additional no-bid contracts for work at Monroe Houses.

d. On or about October 3, 2023, CW-15 reviewed photobooks containing a photograph of RIVERA among photographs of dozens of other individuals. CW-15 identified the photograph of RIVERA as "John Rivera" at Monroe Houses, the NYCHA employee to whom CW-15 had made payments in exchange for no-bid contracts from NYCHA.

9. Based on my review of records provided by NYCHA, my discussions with other law enforcement officers, and my discussions with a cooperating witness ("CW-24"),⁴ who has performed work at NYCHA's Monroe Houses, among other developments, I have learned the following, in substance and in part:

a. Since at least in or about 2020, CW-24 performed contracting work for NYCHA as an owner of a contracting company that purchased materials from various retailers, including retailers that sold items in interstate commerce.

b. CW-24 was awarded at least approximately six no-bid contracts, each of which was worth approximately \$5,000, at Monroe Houses from in or about February 2020 through in or about June 2020, during the time in which JOHN RIVERA, the defendant, served as a superintendent at that NYCHA facility. During that time, CW-24 paid RIVERA approximately \$500 in cash for approximately each of the no-bid contracts CW-24 received from RIVERA at Monroe Houses.

c. CW-24 understood, based on CW-24's interactions with RIVERA and with other NYCHA employees who similarly required payments for work, that if CW-24 did not make payments to RIVERA, CW-24 would not be awarded additional no-bid contracts for work at Monroe Houses.

d. On or about November 29, 2023, CW-24 reviewed photobooks containing a photograph of RIVERA among photographs of dozens of other individuals. CW-24 identified the photograph of RIVERA as "John," the NYCHA employee to whom CW-24 had made payments in exchange for no-bid contracts from NYCHA.

10. Based on my review of financial records for JOHN RIVERA, the defendant, and a financial analysis of such records, I have learned the following:

a. Between in or about 2016 and in or about 2023, a large number of cash deposits were made into a particular bank account belonging to RIVERA and another individual

⁴ CW-24 testified in the grand jury pursuant to an immunity order, and previously provided information to law enforcement pursuant to an agreement to extend the same immunity protections to the interviews. CW-24 has never worked at any of the contracting companies where CW-15 worked. Both CW-15 and CW-24 were interviewed separately and instructed by law enforcement not to discuss the substance of their interviews and grand jury testimony in connection with this investigation, and I have no reason to believe that CW-15 and CW-24 know each other.

("Account-1"). Specifically, there were approximately 981 cash deposits totaling approximately \$531,000.

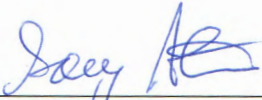
b. The cash deposits into Account-1 include deposits during the time period when CW-15 and CW-24 paid RIVERA approximately \$500 per no-bid contract. Specifically, from in or about February 2020 through in or about June 2022, \$500 in cash was deposited into Account-1 on approximately 12 different occasions.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JOHN RIVERA, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.



SEAN D. HUGHES
Special Agent
Homeland Security Investigations

Sworn to before me this 20 day of February, 2024.



THE HONORABLE GARY STEIN
United States Magistrate Judge
Southern District of New York