

NEWS

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FOR IMMEDIATE RELEASE
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Former Irvington Housing Authority Section 8 Director and N.J.
Parole Officer Charged with Embezzling Section 8 Housing Funds

(More)

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Breaking News (NJ) <http://www.usdoj.gov/usao/nj/press/index.html>

NEWARK – A former Irvington Housing Authority Section 8 program director and her sister, a New Jersey parole officer, were arrested today for embezzling Section 8 housing program funds, U.S. Attorney Christopher J. Christie announced today.

Tracy White, 39, of Mount Olive, a former Section 8 program director with the Irvington Housing Authority, and Ninetta White, 37, of Irvington, a New Jersey parole officer, were arrested this morning at their homes by Special Agents with the FBI, U.S. Department of Housing and Urban Development Office of Inspector General and Internal Revenue Service Criminal Investigation. The defendants were arrested on a one-count criminal complaint, which was issued under seal yesterday, that charges them with embezzling government funds valued at more than \$5,000.

The defendants each made an initial appearance in federal court today before U.S. Magistrate Judge Claire C. Cecchi, who released the defendants on \$100,000 unsecured bonds pending trial.

The complaint alleges that from about August 2003 through May 2007, Tracy White, while employed as the Section 8 program director, and her sister Ninetta deposited Irvington Housing Authority (“IHA”) checks that were issued to landlords into their personal bank accounts and into the business account of a company named Exquisite Realty, which was controlled by Ninetta White. The two women then used the funds for their own personal benefit.

“The actions outlined in this complaint are extremely troubling,” said Christie. “These two women are charged with taking money that was earmarked to assist low-income families in securing a decent place to raise their children.”

According to the complaint, the defendants’ alleged activities came to light in May when an employee with Bank of America’s fraud division notified the IHA that Tracy White had been depositing IHA checks that were issued to other individuals into her personal bank accounts. Upon review of White’s bank accounts and the IHA checks that were deposited, federal agents discovered the alleged series of fraudulent transactions.

The complaint alleges that White diverted more than \$95,000 of HUD funds that should have been used for eligible and qualified Section 8 tenants. The federally funded Section 8 program aids low-income families in obtaining a decent place to live. Under the Section 8 program, Housing and Urban Development (“HUD”) enters into housing assistance payment contracts with private property owners and determines the maximum monthly rent that the owner may charge for each dwelling. HUD also makes annual contribution contracts with local public housing agencies, in this case the IHA, which in turn makes rental payments, on behalf of qualified Section 8 recipients, to the owners of dwelling units.

According to the complaint, White's sister, Ninetta, assisted White in the misappropriation of government funds by accepting checks in her name and in the name of her company as Section 8 landlords, when in fact neither the company nor Ninetta were approved Section 8 landlords.

The charge of stealing, obtaining by fraud and intentionally misapplying government funds valued over \$5,000 carries a statutory maximum penalty of 10 years in prison and a fine of \$250,000.

The complaint is merely an accusation, and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Christie credited Special Agents of the FBI's Newark Division, under the direction of Special Agent in Charge Weysan Dun, of HUD OIG, under the direction of Special Agent in Charge Rene Febles, and IRS CI, under the direction of Special Agent in Charge William P. Offord with the investigation that resulted in today's charges.

The government is represented by Assistant U.S. Attorney Hope S. Olds of the Special Prosecutions Division.

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