



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**CHIEF OF STAFF TO NYS ASSEMBLYWOMAN SENTENCED
TO ONE YEAR IN PRISON FOR EMBEZZLING \$115,000
IN FEDERAL FUNDS FROM LOW-INCOME TENANTS IN THE BRONX**

PREET BHARARA, United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation, announced that RICHARD IZQUIERDO ARROYO, the Chief of Staff to a New York State assemblywoman, was sentenced today to one year and one day in prison for embezzling \$115,000 from SBCC Management Corp., a not-for-profit organization that provides management services to residential buildings for low-income tenants and for which IZQUIERDO ARROYO serves as President of the Board of Directors. IZQUIERDO ARROYO was also ordered to pay a fine of \$3,000 and restitution in the amount of \$115,000. United States District Judge ALVIN K. HELLERSTEIN imposed the sentence today in Manhattan federal court.

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

IZQUIERDO ARROYO admitted to embezzling \$115,000 of SBCC Management Corp. money between May 2005 and February 2009, through a number of methods. He used an SBCC Management Corp. corporate credit card to charge approximately \$95,000 in personal expenses, including \$12,000 to buy clothes and shoes; \$10,000 to pay for meals at restaurants; \$10,000 to buy crafts and gifts; and \$27,500 to pay for airline tickets and stays at luxury hotels, where he spent additional SBCC Management Corp. money to pay for spa treatments, massages, room service, and cocktails.

IZQUIERDO ARROYO also signed checks that diverted an additional approximately \$20,000 from SBCC Management Corp. and one of the buildings it serviced to his family members, namely, his grandmother, the New York State assemblywoman for whom he serves as Chief of Staff; and his aunt, a New York City Council member. The diverted money included approximately \$6,000 in campaign contributions for his grandmother; \$3,8000 to pay for

new flooring in his grandmother's district office; and \$5,000 to pay summer interns working in the office of his grandmother and his aunt.

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

U.S. Attorney PREET BHARARA said: "The non-profit community in New York City thrives because New Yorkers volunteer their time to help those in need. Volunteers are not entitled to compensate themselves and their favored friends by stealing from the poor and the vulnerable. Today's sentence sends a clear message that we will not tolerate the misuse of non-profit funds and we will hold accountable all those who betray the trust of individuals they are supposed to serve."

DOI Commissioner ROSE GILL HEARN said: "This sentence is a just punishment for a corrupt nonprofit executive who turned his back on the elderly and disabled tenants his organization was supposed to serve and chose to enrich himself. Richard Izquierdo Arroyo stole more than \$100,000 in public funds to pay for personal luxuries. Today, he pays the price for his crime. DOI and the U.S. Attorney's Office for the Southern District of New York will continue to work together to expose and call to account individuals who criminally exploit not-for-profit agencies for personal gain.

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

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