



***United States Attorney
Southern District of New York***

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**PRESIDENT OF BRONX NOT-FOR-PROFIT ORGANIZATION PLEADS
GUILTY IN MANHATTAN FEDERAL COURT TO EMBEZZLEMENT**

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 today that RICHARD IZQUIERDO ARROYO pleaded guilty to embezzling \$115,000 from SBCC Management Corp., a not-for-profit organization that provides management services to residential buildings for low-income tenants. IZQUIERDO ARROYO served as president of SBCC Management Corp. and also was chief of staff to a New York State Assemblywoman.

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 before United States District Judge ALVIN K. HELLERSTEIN:

IZQUIERDO ARROYO admitted to embezzling \$115,000 in SBCC Management Corp. money between May 2005 and February 2009. He stole this money by using an SBCC Management Corp. corporate credit card to charge approximately \$95,000 in unauthorized expenses, including personal expenses for clothes, shoes, airfare, hotels, restaurants, and flowers. He also signed or caused to be signed checks that diverted approximately \$20,000 from SBCC Management Corp. for the benefit of elected officials with whom he had relationships, including for campaign contributions made to the New York State Assemblywoman for whom he worked, payments for new flooring in the Assemblywoman's office, and payments to summer interns working in the Assemblywoman's office and in the office of a New York City Councilmember.

U.S. Attorney BHARARA stated: "It is often said that the buck stops with the president of an organization; Izquierdo Arroyo chose to make a quick buck instead, by using his clout to commit a crime. Izquierdo Arroyo betrayed those he was meant to serve by stealing more than \$100,000 meant for needy tenants to boost his own income and fill the coffers of his favored politicians. Today's plea is another success in our ongoing effort with New York City's Department of Investigation to bring those who would criminally abuse their power to justice."

DOI Commissioner GILL HEARN said, "This nonprofit executive is guilty of a shameful abuse of a program for the poor. In his hands, the taxpayers' money that should have benefitted vulnerable, elderly tenants was instead squandered on shoes, airfare, hotel stays, and restaurant tabs. DOI and the U.S. Attorney's Office for the Southern District of New York will continue to be dedicated partners in the effort to root out fraud from publicly-funded non profits."

IZQUIERDO ARROYO, 33, faces a statutory maximum of 10 years in prison on the count of embezzling federal funds to which he pleaded, Count Two of the Indictment. He has also agreed to pay restitution in the amount of \$115,000. Sentencing is scheduled for June 25, 2010 at 11:00 a.m. before Judge HELLERSTEIN.

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

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

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