



*United States Attorney
Southern District of New York*

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**U.S. ARRESTS REAL ESTATE BROKER AND CITY DHS
EMPLOYEE IN \$25,000 FRAUD**

Two conspired to steal broker's fees from City

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI") today announced the arrests of RAPHAEL AGBUNE, a Staff Analyst with the New York City Department of Homeless Services ("DHS"), and LINDA LOVING, a New York State licensed Real Estate Broker, for fraudulently obtaining or attempting to obtain over \$25,000 in real estate broker's fees from the DHS Housing Stability Plus program.

The Housing Stability Plus program ("HSP") assists DHS clients with moving from temporary shelters into suitable permanent housing. The HSP offers competitive, market rate rent supplements to homeless individuals, families with children, and adult families who are ready to leave shelter for permanent residency. The HSP offers a five-year subsidy that is intended to promote personal responsibility and self-sufficiency through a gradual step down in the rental subsidy amount offered each year. If permanent housing is secured with the assistance of a real estate broker, the broker is entitled to receive a fee for their services.

According to the Indictment filed in Manhattan federal court, from March 2005 through January 2006, AGBUNE used his position at DHS to fraudulently authorize payment of broker's fees to LOVING, a real estate broker, fees to which LOVING was not entitled. In fact, LOVING did not act as a broker in any of

these transactions. AGBUNE and LOVING are accused of embezzling, and attempting to embezzle, \$25,750.

AGBUNE has been employed at DHS since 1993 and currently earns a salary of \$45,815 per year. His duties at DHS included facilitating the transition of homeless individuals and families from shelters to permanent housing. He was suspended from his City employment upon his arrest.

If convicted, AGBUNE, 57, and LOVING 49, both of the Bronx, each face up to ten years in prison.

Mr. GARCIA praised the investigative efforts of DOI's Office of the Inspector General for DHS.

Mr. GARCIA added, "The city and federal governments, as well as the people they serve, have a vital interest in ensuring that federal funds for programs such as this go to those who truly need it and earn it. Individuals who work and participate in these programs must be held to this high public trust."

Commissioner GILL HEARN said, "Last week, 30 individuals were arrested for defrauding the City's housing subsidy program. Today's case is yet another example of greed that siphons away funds from the less fortunate, in this case homeless New Yorkers. As promised, the City and federal government will not be complacent on this issue and we will continue our efforts to stop those who want to take government funds intended for the needy."

Assistant United States Attorney TODD BLANCHE is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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