



Contact: Carmen Boon 212-331-6200

FOR IMMEDIATE RELEASE
September 10, 2013

**INVESTIGATION BY THE NEW YORK CITY HUMAN RESOURCES
ADMINISTRATION LEADS TO SUSPENSION OF LICENSES FOR SIX BROKERS
REQUESTING ILLEGAL FEES FROM PUBLIC ASSISTANCE RECIPIENTS**

The New York State's Department of State suspended the licenses after a full inquiry found that brokers charged extra commission fees from clients of the agency's HIV/AIDS Services Administration (HASA) as a requisite to move into a new apartment

New York City Human Resources Administration Commissioner Robert Doar and Chief Integrity Officer James Sheehan announced today that an investigation initiated by HRA led New York State's Department of State to suspend the licenses of three real estate brokers and their respective brokerages, as well as three real estate sales agents, for illegally collecting broker fees from clients of the HIV/AIDS Services Administration (HASA), a division of HRA.

"Our agency investigated this matter, and brought it to the attention of the Department of State. We are grateful for their close cooperation and that our partnership led to the suspension of the licenses of these unscrupulous brokers and sales agents who violated an agreement and subjected our HASA clients to illegal payments," said HRA's Chief Integrity Officer James Sheehan. "We are proud of our fraud investigators' skills and knowledge, which helps hold those who break the rules accountable. We will continue to ensure the integrity of our public assistance programs, and to protect our clients from those who seek to take advantage."

"The HASA program is committed to assisting its eligible clients in obtaining and maintaining medically appropriate housing," said HASA Deputy Commissioner Jacqueline Dudley. "We take very seriously complaints from our clients of any suspected illegal actions by service providers and the suspension of licensees for these brokers sets an important precedent and protects the integrity of our program so we can continue to provide the housing assistance that our clients need."

Effective March of 2011, HRA amended its policy regarding real estate broker fees in that the agency will pay 50 percent of one month's rent as a fee. In order to be eligible to receive the fee from HRA, brokers must sign a document agreeing to accept the equivalent of half month's rent as the entire broker fee. The agreement also states that the HRA applicant/client is not responsible for any payments in excess of what the broker receives from HRA.

Last year, HASA reported to the Investigation, Revenue and Enforcement Administration (IREA), the investigative arm of HRA, that the program had received complaints from clients alleging that

some real estate brokers were violating this agreement. HASA provided IREA with a list of brokers that had worked with HASA clients in the past. IREA identified those who were requesting that clients pay the remaining 50 percent of one month's rent in order to obtain an apartment. IREA also contacted clients, some of whom confirmed that they were asked to or were required to pay 50 percent of the broker's fee. In addition, many of the clients stated they paid the fees in cash, a violation of the Department of State's guidelines.

HRA presented this investigation to the New York State Department of State which then conducted a full inquiry and concluded that the realtors were in violation of a contractual agreement with the Agency and had engaged in acts of misconduct and untrustworthiness. The realtors have all entered into consent orders with the Department of State's Division of Licensing Services requiring full restitution of monies to victims and prohibiting them from operating as real estate professionals for a 3-month period.

Suspended brokerages and agents:

- Jose Centti, trade name broker, America Real Estate brokerage, Whitestone, NY
- Wayne Courtney, corporate broker, Wayco Realty Inc., Bronx, NY
- Owen K. Thompson, real estate salesperson, Wayco Realty Inc., Bronx, NY
- Margie Baraket, real estate salesperson, Re Max Liberty Inc., Ozone Park, NY
- Samuel Pappy, corporate broker, Chris T. Land Realty Inc., Bronx, NY
- Madeline Trillo, real estate salesperson, Chris T. Land Realty Inc., Bronx, NY

IREA's investigators Richard LeBlond and Adrian Duncan performed the interviews. Mr. LeBlond also worked closely with Department of State investigators to package the license suspensions. Mr. LeBlond and IREA Senior Manager Zivko Pulisic also made a presentation to the Real Estate Board about the case and the concerns it raises.

To learn more about HRA's IREA please visit the Welfare Fraud NYC website on www.nyc.gov and follow us on Twitter at @NYCHRA.