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Southern District of New York

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Second Former NYCHA Superintendent Convicted Of Bribery And Extortion Offenses At Trial

In the Second Trial Following a 70-Person Takedown in February 2024, Hector Colon, a Former New York City Housing Authority Superintendent, Was Convicted of Bribery and Extortion for Accepting Cash From NYCHA Contractors in Exchange for Awarding Contracts

Damian Williams, the United States Attorney for the Southern District of New York; Jocelyn E. Strauber, the Commissioner of the New York City Department of Investigation ("DOI"); William S. Walker, the Special Agent in Charge of the New York Field Office of Homeland Security Investigations ("HSI"); Vicky Vazquez, the Special Agent in Charge of the U.S. Department of Housing and Urban Development, Office of Inspector General ("HUD OIG"); and Jonathan Mellone, the Special Agent in Charge of the Northeast Region of the U.S. Department of Labor's Office of Inspector General ("DOL-OIG"), announced that HECTOR COLON, a former New York City Housing Authority ("NYCHA") superintendent, was convicted today of bribery and extortion under color of official right for taking thousands of dollars from contractors in exchange for awarding those contractors no-bid contracts or approving payment on previously awarded contracts at NYCHA developments for approximately three years. The verdict followed a four-day trial before U.S. District Judge Lewis J. Liman.

U.S. Attorney Damian Williams said: "Corruption is an insidious crime—difficult to detect, corrosive in its effect on government agencies, and damaging to the public's trust in government institutions. As a NYCHA Superintendent, Hector Colon abused his position of public trust by demanding thousands of dollars of bribes from contractors, betraying his duty to NYCHA residents, the City of New York, and taxpayers. The jury's unanimous verdict sends a clear message that those who use their public offices for personal gain will be held accountable."

DOI Commissioner Jocelyn E. Strauber said: "When public servants demand payoffs from vendors providing services to the New York City Housing Authority, they drive up the cost of those services, diverting valuable resources from the residents of public housing. Today, this suspended NYCHA employee stands convicted by a jury for this criminal conduct, joining 59 convicted colleagues, among the 70 who have been charged. And to date, NYCHA has implemented 11 of DOI's 14 recommendations

intended to thwart employees who would use positions of trust to enrich themselves at the expense of New Yorkers that NYCHA serves. I thank the U.S. Attorney’s Office for the Southern District of New York and our federal law enforcement partners for their commitment to protect public resources and to hold accountable those public servants who abuse their authority.”

HSI Special Agent in Charge William S. Walker “Today’s guilty verdict — the second successful trial following HSI’s sweeping task force investigation into bribery and extortion amongst NYCHA personnel — underscores the importance of collaboration among law enforcement partners in protecting and serving New Yorkers. The pervasive corruption exemplified by Colon’s conduct continues to be brought to light, and HSI New York’s Document and Benefit Fraud Task Force is proud to have played a role uncovering the exploitation of an underserved community for personal gain.”

HUD OIG Special Agent in Charge Vicky Vazquez said: “Colon took advantage of his position of trust and engaged in a deplorable bribery and kickback scheme to enrich himself. Moreover, he violated the fair process for awarding government contracts, putting the integrity of HUD programs at risk. HUD OIG remains steadfast in its commitment to working with our prosecutorial, law enforcement, and oversight partners to aggressively pursue individuals who engage in activities that jeopardize HUD programs.”

DOL-OIG Special Agent in Charge Jonathan Mellone said: “Suspended NYCHA superintendent Hector Colon abused his position to extort contractors in exchange for no-bid construction contracts that violated the requirements of federal law. Today’s conviction sends a clear message that public corruption will not be tolerated. We will continue to work with our law enforcement partners to investigate those who corruptly exploit federally funded governmental programs at the expense of American taxpayers.”

According to the evidence presented in court during the trial:

NYCHA is the largest public housing authority in the country, providing housing to New Yorkers across the City and receiving over \$1.5 billion in federal funding from the U.S. Department of Housing and Urban Development (“HUD”) every year. When repairs or construction work at NYCHA housing require the use of outside contractors, services must typically be purchased via a bidding process. However, when the value of a contract was under a certain threshold, designated staff at NYCHA developments, including superintendents, could hire a contractor of their choosing without soliciting multiple bids. With either type of contract, a NYCHA employee needed to certify that the work was satisfactorily completed in order for the contractor to receive payment from NYCHA.

COLON, a superintendent at multiple NYCHA developments in Manhattan between 2019 and 2021, including Harlem River Houses, Fort Washington Houses, and Drew Hamilton Houses, demanded and received cash in exchange for NYCHA contracts by either requiring contractors to pay up front in order to be awarded the contracts or requiring payment after the contractor finished the work and needed COLON to sign off on the completed job. COLON typically demanded approximately 10% of the contract value—between \$500 and \$1,000 depending on the size of the contract—or a flat bribe of \$1,000 for signing off on invoices for completed work. In total, COLON demanded and received thousands of dollars in bribes in exchange for hundreds of thousands of dollars in NYCHA contracts.

Of the 70 individual NYCHA employees charged with bribery and extortion offenses in February 2024, 58 have pled guilty, and two have been convicted after trial.

If you believe you have information related to bribery, extortion, or any other illegal conduct by NYCHA employees, please contact OIGNYCHA@doi.nyc.gov or (212) 306-3356. If you were involved in such conduct, please consider self-disclosing through the SDNY Whistleblower Pilot Program at USANYS.WBP@usdoj.gov.

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COLON, 46, of the Bronx, New York, was convicted of one count of federal program bribery, which carries a maximum sentence of 10 years in prison, and one count of extortion under color of official right, which carries a maximum sentence of 20 years in prison.

The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Williams praised the outstanding investigative work of the New York City Department of Investigation, U.S. Department of Homeland Security – Homeland Security Investigations (“HSI”), the HUD Office of Inspector General, and DOL-OIG, which work together collaboratively as part of the HSI Document and Benefit Fraud Task Force, as well as the special agents and task force officers of the U.S. Attorney’s Office for the Southern District of New York.

This prosecution is part of an Organized Crime Drug Enforcement Task Forces (“OCDETF”) operation. OCDETF identifies, disrupts, and dismantles criminal organizations using a prosecutor-led, intelligence-driven, multi-agency approach. Additional information about the OCDETF Program can be found at <https://www.justice.gov/OCDETF>.

This case is being handled by the Office’s Public Corruption Unit. Assistant U.S. Attorneys Jacob R. Fiddelman, Catherine Ghosh, and Jane Kim are in charge of the prosecution, with the assistance of Paralegal Specialists Jayda Foote and Shirel Garzon.

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