



The City of New York
Department of Investigation

JOCELYN E. STRAUBER
COMMISSIONER

180 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

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nyc.gov/doi

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CONTACT: DIANE STRUZZI
CLODAGH MCGOWAN
(212) 825-5931

FORMER NYCHA SUPERINTENDENT SENTENCED TO 48 MONTHS IN PRISON FOR TAKING \$329,300 IN BRIBES
--One of 70 defendants charged with demanding and receiving cash to award NYCHA contracts--

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on today’s sentencing of a former Superintendent at the New York City Housing Authority (“NYCHA”), who was one of 70 defendants charged with demanding and receiving cash in exchange for awarding NYCHA micro-purchase contracts and other contract work to vendors.

JUAN MERCADO, 50, of West Babylon, N.Y. pled guilty on May 6, 2024, to Receipt of Solicitation of a Bribe by an Agent of an Organization Receiving Federal Funds and was sentenced today by U.S. District Judge Valerie E. Caproni in the Southern District of New York to 48 months in prison followed by three years of supervised release. MERCADO has agreed to pay \$329,300 in restitution to NYCHA and to forfeit \$329,300 in illegal proceeds. He is scheduled to surrender on March 27, 2025. DOI investigated this case with the New York Field Office of Homeland Security Investigations (“HSI”); the Inspector General of the U.S. Department of Housing and Urban Development, Office of Inspector General (“HUD-OIG”); the Northeast Region of the U.S. Department of Labor, Office of Inspector General (“DOL-OIG”); and the Office of the United States Attorney for the Southern District of New York, which prosecuted the case.

DOI Commissioner Jocelyn E. Strauber said, “For nearly ten years, this defendant received hundreds of thousands of dollars in bribes from NYCHA vendors in exchange for awarding micro-purchase contracts and other contract work, driving up the cost of services and depriving NYCHA residents of resources intended to improve their homes Today, with this prison sentence, he faces the consequences of his criminal conduct, joining 63 convicted defendants among the 70 charged. 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 NYCHA’s contracting process and public dollars.”

MERCADO, a superintendent assigned to at least three NYCHA developments in Queens — Ravenswood, South Jamaica, and Hammel-Carleton Manor — between 2014 and 2023, demanded and received cash in exchange for NYCHA contracts. MERCADO typically demanded bribes of between approximately 10 to 20 percent of the value of the contract he awarded. In total, MERCADO demanded and received \$329,300 in bribes in exchange for approximately \$1,886,000 in NYCHA contracts.

According to court documents, the \$329,300 in bribes this defendant demanded and accepted accounts for 16% of the total amount of all the bribes accepted by all of the 70 defendants, and the nearly \$1.9 million in contracts the defendant awarded accounts for 14% of all the bribe-tainted contracts awarded by all the 70 defendants.

As of today, 60 of the 70 defendants have pled guilty, three defendants have been convicted at trial, and the cases of seven defendants are pending.

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MERCADO began his employment at NYCHA in November 1994, was suspended upon his arrest in February 2024, and resigned in April 2024. At the time of his resignation, MERCADO's salary was approximately \$103,650.

NYCHA accepted each of [the 14 recommendations](#) DOI issued in connection with the arrests in this case and has implemented 11 of them.

Commissioner Strauber thanked Danielle R. Sassoon, U.S. Attorney for the Southern District of New York for her and her office's partnership on this investigation, which is being prosecuted by the Office's Public Corruption Unit. Assistant U.S. Attorneys Catherine Ghosh, Jerry Fang, Jacob Fiddelman, and Meredith Foster are in charge of the prosecution, with the assistance of Paralegal Specialist Nandita Vasantha.

Commissioner Strauber also thanked the New York Field Office of HSI; the Inspector General of the U.S. HUD OIG; and the Northeast Region of the U.S. DOL-OIG, and their staffs, for their thorough work on the investigation, and Lisa Bova-Hiatt, NYCHA's Chief Executive Officer, for her and her staff's cooperation.

At DOI, the investigation was conducted by Special Investigator Karen Smith with DOI's Office of the Inspector General for NYCHA and supervised by Assistant Inspectors General Enio Bencosme and Robert Joyce, Deputy Inspector General Gregory Deboer, Inspector General Ralph Iannuzzi, Deputy Commissioner of Strategic Initiatives Christopher Ryan, and Deputy Commissioner/Chief of Investigations Dominick Zarrella.

Complaints are accusations. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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