PRESS RELEASE

Former NYCHA Superintendent Sentenced To 18 Months In Prison After Trial Conviction For Bribery And Extortion Offenses

Tuesday, May 6, 2025

For Immediate Release

U.S. Attorney's Office, Southern District of New York

Jay Clayton, United States Attorney for the Southern District of New York, announced that HECTOR COLON, a former superintendent for the New York City Housing Authority ("NYCHA"), was sentenced today to 18 months in prison for soliciting and accepting approximately \$30,000 in bribes from contractors in exchange for awarding repair contracts or approving repair work worth at least approximately \$400,000. COLON's sentence was imposed by U.S. District Judge Lewis J. Liman, who also presided over a one-week trial at which COLON was convicted of bribery and extortion under color of official right.

U.S. Attorney Jay Clayton said: "Hector Colon abused his position at NYCHA to demand bribes from contractors for his personal gain. The women and men of this Office are committed to pursuing those who abuse the public's trust."

According to the Indictment, public court filings, statements made in court, and evidence presented during 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 three different NYCHA developments in Manhattan between 2018 and 2022, demanded and accepted cash in exchange for NYCHA contracts. He required contractors to pay bribes in order to be awarded the contracts or required bribe payments after the contractor finished the work and needed a NYCHA employee to sign off on the completed job so that the contractor could be paid by NYCHA. COLON typically demanded 10% of the contract value—between \$500 and \$1,000, depending on the size of the contract. In total, COLON demanded and accepted approximately \$30,000 dollars in bribes in exchange for awarding no-bid contracts or approving payment on previously awarded contracts worth approximately \$400,000.

Of the 70 individual NYCHA employees charged with bribery and extortion offenses who were arrested in February 2024, 62 have pled guilty, and three have been convicted after trial. COLON is the second of the three NYCHA employees convicted after trial to be sentenced. The cases of the five remaining defendants, who are each presumed innocent unless and until proven guilty, remain pending.

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 <u>SDNY Whistleblower Pilot Program</u> at USANYS.WBP@usdoj.gov.

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In addition to the prison term, COLON, 47, of the Bronx, New York, was sentenced to two years of supervised release and ordered to pay restitution in the amount of \$30,000 and to forfeit \$30,000.

Mr. Clayton praised the outstanding investigative work of the New York City Department of Investigation, the U.S. Department of Homeland Security – Homeland Security Investigations ("HSI"), the HUD Office of Inspector General, and the U.S. Department of Labor – Office of Inspector General, 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, Jane Kim, Jerry J. Fang, and Meredith C. Foster are in charge of the prosecution, with the assistance of Paralegal Specialists Jayda Foote and Shirel Garzon.

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Topic PUBLIC CORRUPTION

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