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D.A. BROWN: QUEENS CONTRACTOR AND WIFE
CHARGED IN \$672,000 HUD REAL ESTATE SWINDLE

Allegedly Defrauded 9 Individuals By Taking Money For Purported Home Purchases and Renovations

Queens District Attorney Richard A. Brown today announced the indictment of a Queens contractor and his wife on charges of defrauding nine individuals – including a teacher, a pharmaceutical sales representative and a medical doctor – out of more than \$672,000 in savings through a real estate scheme in which the victims allegedly gave the couple tens of thousands of dollars for the purchase and renovation of HUD residential houses which, in fact, never took place.

District Attorney Richard A. Brown said, “The defendants are accused of cheating honest, hardworking individuals out of, in some cases, their life savings by showing them U.S. Department of Housing and Urban Development properties in several Queens neighborhoods and falsely claiming to be able to purchase the properties for them. In furtherance of their alleged scheme and to build trust with their victims, the defendants allegedly even showed some of them houses that the couple were in the process of renovating – yet failed to ever complete. As a result, it is alleged that victims agreed to have the defendants undertake renovations on the various properties that they were shown and had agreed to buy. The end result was that instead of helping these individuals live the ‘American Dream’ by becoming homeowners, the defendants allegedly built them a ‘House of Cards’ that fell apart soon after the money was deposited in their account.”

The District Attorney identified the defendants as Dennis Barnaby, 55, and his wife, Pauline Davis, 50, both of 141-24 181 Street, Springfield Gardens. Barnaby is the owner of East Coast Construction, which he operates out of his residence. The defendants have been charged in a 10-count indictment with the crimes of Grand Larceny in the Second and Third Degrees and Scheme to Defraud in the First Degree. If convicted, each defendant faces up to 15 years in prison.

According to the District Attorney, the investigation began in June 2004 when a 41-year-old Jamaica, Queens, woman contacted the District Attorney’s Economic Crimes Bureau and complained that she had been cheated by the defendant Barnaby in a real estate purchase. Thereafter, additional complainants came forward.

District Attorney Brown said the indictment charges that the defendants, between February 15, 2002 and March 28, 2006, stole a total of \$672,500 from nine individuals who had given the defendants large sums of money – ranging from \$17,500 to \$150,000 – with the understanding that the money would be used toward the purchase of eight single-family residences that were U.S. Housing and Urban Development properties. In one instance, it is alleged that the defendants sold the property to two different individuals.

According to District Attorney Brown, it is alleged that Barnaby, while doing renovations on houses in the Rosedale and Jamaica sections of Queens that belong to two of the victims, showed the properties to other alleged victims and indicated that he would sell them the HUD-listed properties. In the case of the Jamaica property, the actual owner of the house, a medical doctor, allegedly had already given Barnaby \$130,000 to renovate and expand his one-story residence into a two-story dwelling. However, it is alleged, the renovations were never completed.

The District Attorney said that in furtherance of their alleged scheme, it is charged that Davis who, at the time, was employed at BISA Check Cashing, located at 61-20 Springfield Boulevard in Bayside deposited checks for home renovations in the amounts of \$130,000 and \$84,000 at her place of employment, as well as at another check-cashing outlet in Springfield Gardens. The couple are also accused of depositing the monies received from their alleged victims into Davis’s bank account and unlawfully retaining the proceeds.

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The eight properties involved in the defendants' alleged scheme were: 223-02 114th Avenue in Queens Village – purportedly sold to two different individuals; 227-20 137th Street in Laurelton ; 227-20 Merrick Boulevard in Springfield Gardens; 118-61 Farmers Boulevard in St. Albans; 217-36 110th Avenue in Queens Village; 114-51 226th Street in Jamaica; 152-07 125th Avenue in South Ozone Park and (8) 193-06 99th Avenue in Hollis. The residences are all listed as U.S. Housing and Urban Development properties

The defendants were arrested earlier today at their home by detectives of the District Attorney's Detective Squad and are being held pending arraignment in Queens Supreme Court in Kew Gardens.

The investigation was conducted by Detective Richard A. Lewis of the District Attorney's Detective Bureau under the supervision of Lieutenant Robert J. Burke and Sergeant John W. Kenna and the overall supervision of Chief Lawrence J. Festa and Deputy Chief Albert D. Velardi.

Assistant District Attorney Mariana Zelig of the District Attorney's Economic Crimes Bureau is prosecuting the case under the supervision of Assistant District Attorneys Gregory C. Pavlides, Bureau Chief, and Christina Hanophy, Deputy Bureau Chief, and the overall supervision of Executive District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

It should be noted that an indictment is merely an accusation and that defendants are presumed innocent until proven guilty.

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Note to Editors: E-version of this press release posted at www.queensda.org.