

**PRESS RELEASE**

# **Former NYCHA Superintendent Sentenced To 48 Months In Prison For Accepting More Than \$300,000 In Bribes**

Friday, January 31, 2025

**For Immediate Release**

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

Danielle R. Sassoon, the United States Attorney for the Southern District of New York, announced that JUAN MERCADO, a former superintendent for the New York City Housing Authority ("NYCHA"), was sentenced today to 48 months in prison for soliciting and accepting hundreds of thousands of dollars in bribes from contractors in exchange for awarding those contractors no-bid contracts or approving payment on previously awarded contracts at NYCHA developments. MERCADO's sentence was imposed by U.S. District Judge Valerie E. Caproni, who also presided over his guilty plea.

*U.S. Attorney Danielle R. Sassoon said: "As a public housing superintendent, Juan Mercado held a position of public trust. For years, Mercado abused his position by demanding and accepting more than \$300,000 in bribes in connection with repair work at NYCHA developments – money that should have gone to improving the lives of NYCHA residents. As today's sentence shows, corruption will not be tolerated at any level of government."*

According to the Information and Complaint, the plea agreement, and evidence presented during a multi-day evidentiary hearing:

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.

From at least 2014 through at least July 2023, MERCADO served as a superintendent at multiple NYCHA housing developments in Queens. For approximately nine years, MERCADO demanded and received hundreds of thousands of dollars from multiple contractors in exchange for arranging for those contractors to receive contract work at developments where MERCADO was employed or in order for MERCADO to sign off on work that had been completed. Although MERCADO initially demanded that contractors pay him 10% of the contract value in order to receive the work, MERCADO eventually doubled the amount that contractors had to pay from 10% to 20% of the value of the contract. The contractors typically paid MERCADO between \$500 and \$2,000 for each contract on hundreds of occasions. In total, MERCADO accepted approximately \$329,300 in bribes in connection with at least \$1,886,000 in contract work at NYCHA developments.

Of the 70 individual NYCHA employees charged with bribery and extortion offenses in February 2024, 60 have pled guilty, and three 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](mailto: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](mailto:USANYS.WBP@usdoj.gov).

\* \* \*

In addition to the prison term, MERCADO, 50, of West Babylon, New York, was sentenced to 3 years of supervised release and ordered to pay restitution in the amount of \$329,300 and forfeit \$329,300.

Ms. Sassoon 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 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 Jerry J. Fang, Jacob R. Fiddelman, Catherine Ghosh, and Meredith C. Foster are in charge of the prosecution, with the assistance of Paralegal Specialist Nandita Vasantha.

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*Updated January 31, 2025*

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**Topic**

**PUBLIC CORRUPTION**

**Component**

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