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FORMER TAMPA HOUSING AUTHORITY OFFICIAL AND BOGUS LANDLORD SENTENCED IN SECTION 8 FRAUD SCHEME

Tampa, FL - U.S. District Judge Susan Bucklew today sentenced former Tampa Housing Authority (THA) official CARLTON MILES, age 38, to two years' imprisonment and three years' supervised release for devising a scheme in which he recruited friends to pose as fictitious Section 8 landlords to receive fraudulent rent subsidy checks. MILES was also ordered to pay more than \$140,000 in restitution to the U.S. Department of Housing and Urban Development (HUD). MILES pleaded guilty on February 28, 2008.

Also this morning, U.S. District Judge Steven Merryday sentenced ASHLEY HEPBURN, age 25, to two months' imprisonment and two months' home detention for acting as a bogus landlord for another former THA official, MARIO LOVETT. HEPBURN was also ordered to pay more than \$22,000 in restitution to HUD. HEPBURN pleaded guilty on March 20, 2008.

According to court documents, MILES was employed as a "Section 8" counselor for the THA from May 2003 to October 2004. The THA receives hundreds of thousands of dollars each year from HUD to subsidize housing for low-income families, the elderly, and disabled individuals as part of the Housing Choice Voucher Program, previously known as Section 8. MILES and two other counselors, MARIO LOVETT and CALVIN COLEMAN, recruited numerous individuals to serve as bogus landlords, even though they neither owned approved rental properties nor had leases with legitimate Section 8 approved

tenants. The three counselors caused fraudulent rent subsidy checks to be issued to these bogus landlords, who cashed them and paid a kickback to the counselors. HEPBURN was one of several fictitious landlords recruited by LOVETT. Last month U.S. District Judge Merryday sentenced LOVETT to a term of eighteen months' imprisonment for his role in the scheme. He was ordered to pay more than \$180,000 in restitution to HUD.

To date, 16 individuals have pleaded guilty to federal charges arising from this scheme. Ten of those individuals have received sentences ranging from probation to two years' imprisonment; six others await sentencing.

The case was investigated by U.S. Department of Housing and Urban Development, Office of Inspector General. The case was prosecuted by Assistant United States Attorneys Cherie Krigsman and Thomas N. Palermo.