



U.S. Department of Justice
United States Attorney Kenneth J. Gonzales
District of New Mexico

PRESS RELEASE

CONTACTS:

Albuquerque

Elizabeth Martinez
Executive Assistant U.S. Attorney
Public Affairs Officer
elizabeth.martinez@usdoj.gov
505.224.1469

Las Cruces

Terri Abernathy
Senior Litigation Counsel
terri.abernathy@usdoj.gov
575.522.2338 ext. 233

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FORMER NEW MEXICO CORRECTIONS DEPARTMENT OFFICIAL
SENTENCED TO 70 MONTHS FOR BRIBERY CONVICTION

Chapman Solicited and Accepted \$237,080 in Bribes in Exchange for Steering Corrections Department Construction Jobs to Roofing Company

ALBUQUERQUE – Earlier today, a federal judge sentenced **Laurie Chapman**, 51, the former Facilities Manager for the New Mexico Corrections Department (NMCD), to a 70-month term of imprisonment for her conviction on bribery charges. Chapman, a resident of Santa Fe, N.M., will be on supervised release for two years after completing her prison sentence. Chapman is required to surrender to a federal correctional institution to be designated by the U.S. Bureau of Prisons within 60 days to begin serving her prison sentence.

In announcing Chapman’s sentence, U.S. Attorney Kenneth J. Gonzales said, “Each year, millions of federal and state taxpayers’ dollars are allocated to government agencies in New Mexico, and we necessarily trust that employees of those agencies will use the funds for their intended purposes. While the vast majority of government employees are honest in their work and committed to serving their fellow citizens, Ms. Chapman chose to abuse the public’s trust by colluding with a private company to steal taxpayers’ money. People have the right to expect that government officials will perform their duties honestly, and the sentence imposed on Ms. Chapman today demonstrates that the justice system will stand up to their expectations. The public also can expect that my Office will continue to work with the FBI and its other law enforcement partners to root out public corruption and prosecute those who put personal greed

ahead of public service.”

“The overwhelming majority of elected and appointed public officials are honest and committed to serving their fellow citizens. Unfortunately, a small percentage abuse the public trust, undermining the security of our communities and our nation,” said Carol K.O. Lee, Special Agent in Charge of the Albuquerque Division of the FBI. “Rooting out public corruption is difficult, but it’s a mission the Albuquerque FBI is uniquely equipped to carry out and takes very seriously. We have created a Public Corruption Working Group to explore ways federal, state and local agencies can work more effectively together, and we also have a hotline number New Mexico residents can call to report public corruption: (505) 889-1580. I would like to acknowledge the hard work of the FBI Special Agents who worked on this case, with the assistance of the U.S. Bureau of Prisons, the U.S. Attorney’s Office and the New Mexico Office of the State Auditor.”

Chapman was charged on April 13, 2011 in a 30-count indictment alleging that she corruptly solicited and accepted an aggregate of \$237,080 in bribes from a roofing company in exchange for roofing contracts on NMCD facilities. Chapman pled guilty to the indictment on July 28, 2011, without the benefit of any plea agreement. In August and September 2011, the court entered orders requiring Chapman to forfeit \$237,080.00, the proceeds of her criminal conduct, to the United States.

According to a proffer of evidence made by the U.S. Attorney’s Office during Chapman’s plea hearing, NMCD is a state agency that administers and maintains correctional facilities in the State of New Mexico, and its Facilities Manager is responsible for selecting vendors to perform maintenance and repairs on buildings operated by the NMCD. Chapman was employed as the Facilities Manager for NMCD from 1999 through May 2010. In that position, from February 2007 through August 2009, Chapman corruptly accepted 30 bribes from a roofing contractor in exchange for roofing contracts on NMCD facilities.

In March 2007, Chapman was instrumental in implementing a “price agreement” procedure that permitted her to select a roofing company to perform work on NMCD facilities without requiring the company to compete for NMCD contracts through the competitive Request For Proposal process. From February 2007 through April 2009, Omni Development Corporation (Omni), a roofing company, performed work on NMCD facilities. In 2007, Omni was the only company listed on the NMCD’s roofing company price agreement. In 2008, Chapman was instrumental in implementing a second roofing company NMCD price agreement, which was extended in 2009. In 2008 and 2009, Omni was again the only company listed on the NMCD roofing company price agreement. Between January 2007 and July 2009, Chapman selected Omni to perform numerous maintenance and construction jobs on NMCD facilities, for which Omni was paid a total of approximately \$4 million.

From February 2007 through August 2009, Chapman corruptly solicited and accepted bribes from Omni and its owner in exchange for selecting Omni to perform work at NMCD facilities. The bribe payments were in the form of cash, online transfers, checks, and credit card payments. On July 10, 2008, Chapman incorporated Zia Construction, Inc. (Zia), using her maiden name. From February 2007 through August 2009, Omni’s bribes to Chapman included

checks to Zia. However, Zia never actually performed any work for Omni in exchange for the payments to Zia. On 30 separate occasions, Chapman knowingly and corruptly accepted bribes totaling \$237,080 from Omni in exchange for awarding NMCD jobs valued at approximately \$4 million to Omni.

In September 2010, Chapman had a conversation with Omni's owner which she later learned had been audio-recorded. During that conversation, when the owner expressed concern about Omni's illegal bribes to Chapman being discovered, Chapman suggested that they call the payments from Omni a "loan" and said that she could say her state retirement was collateral for the loan. In November 2010, Chapman fraudulently told federal investigators that Omni's payments to her were a loan. In December 2010, Chapman provided a fraudulent, handwritten "promissory note" for \$80,000 (substantially less than the \$237,080 that Omni had paid Chapman) dated February 3, 2008 and signed only by Chapman. Chapman resigned from NMCD in May 2010 and worked for another state agency until she was fired in February 2011. Her state retirement was less than \$50,000 and could not have served as collateral for a fraudulent \$80,000 "loan."

The case was investigated by the FBI with assistance from the U.S. Bureau of Prisons and the New Mexico Office of the State Auditor, and was prosecuted by Assistant U.S. Attorneys Tara C. Neda and Cynthia L. Weisman.

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