



PIH.RHIIP.TA Message # 2012-2 Distributed on February 6, 2012

HUD's Office of the Inspector General (OIG) issued its Semi-Annual Report to Congress for the period of April 1, 2011 through September 30, 2011. You may view the report online at:

<http://www.hudoig.gov/pdf/sar/sar-66.pdf>. View prior reports at: <http://www.hudoig.gov/>.

Below are excerpts from the report:

Rental Assistance Fraud

Ernestina Marimon, a New York City Housing Authority (New York City) public housing tenant, New York City Housing Preservation and Development Housing Choice Voucher program participant, and Section 8 tenant through a number of HUD-subsidized multifamily housing developments, pled guilty in U.S. District Court, **Manhattan, NY**, to making false statements and committing theft of government funds. In addition, New York City housing recipients Ana Contreras, Yolanda Cuadrado, and Julienne Sialeu were collectively sentenced to 3 months incarceration, 6 months home detention, and 36 months supervised release and ordered to pay New York City \$165,091 in restitution for their earlier conviction of or guilty pleas to committing theft of government funds or making false statements or transactions with HUD. Between July 2001 and December 2010, Marimon failed to report her nonresidency in four HUD-subsidized housing units, the remaining defendants failed to report income or assets on housing certifications, and they collectively obtained more than \$345,091 in housing assistance they were not entitled to receive.

Eleven Palm Beach County, Boca Raton, Pahokee, and West Palm Beach Housing Authority or Florida Housing Finance Corporation housing recipients were collectively sentenced in Palm Beach County Circuit Court, **West Palm Beach, FL**, to 470 days incarceration and 288 months supervised release and ordered to pay HUD or the above housing authorities \$279,012 in restitution for their earlier guilty pleas to committing grand theft, forgery, or public assistance fraud. Between February 2006 and May 2011, the above defendants failed to report income or accurate household compositions on housing certifications and collectively obtained \$300,369 in housing assistance they were not entitled to receive.

Fed Rent Initiative

HUD's most recent study estimates the combined gross improper rental housing assistance payments to have been more than \$1 billion in fiscal year 2008. In an effort to combat administrative overpayments and tenant fraud, HUD and HUD OIG commenced "Operation FedRent," a joint effort to address rental assistance fraud involving Federal employees. Operation FedRent compares HUD tenant data to current and retired Federal employee information maintained by the U.S. Office of Personnel Management.



PIH.RHIIP.TA Message # 2012-2 Distributed on February 6, 2012

After the data comparison, an income eligibility determination is made, and the Social Security numbers for family members 6 years of age and older are verified. If a discrepancy exists, an investigation is opened and appropriate administrative or legal actions are initiated to collect any overpaid housing assistance. Results of Operation FedRent during this semiannual reporting period are described below.

Denise Davis, a former Newark Housing Authority (Newark) Section 8 tenant and legal assistant for the U.S. Attorney's Office, was convicted in U.S. District Court, **Newark, NJ**, of making false statements to HUD and committing theft of HUD funds. In addition, former Newark Section 8 tenant and U.S. Postal Service employee Violet Berry-Simmons was sentenced to 24 months probation and ordered to pay HUD \$27,288 in restitution for her earlier guilty plea to committing theft of government funds. Between July 2003 and April 2007, Davis and Berry-Simmons failed to report income on housing certifications and together obtained about \$145,288 in housing assistance they were not entitled to receive.

Civil and Administrative Actions

Doris Abeyta, the former Alamosa Housing Authority (Alamosa) executive director who previously pled guilty in U.S. District Court, **Denver, CO**, to committing embezzlement and money laundering, was debarred from procurement and nonprocurement transactions with HUD and throughout the Executive Branch of the Federal Government for 5 years. Between 1998 and 2006, Abeyta and other individuals embezzled more than \$1.3 million in Alamosa funds when they generated or negotiated unauthorized housing authority checks.

David Ford, the former Ripley Housing Authority (Ripley) executive director who was previously charged in U.S. District Court, **Memphis, TN**, with allegedly committing theft from a program receiving Federal funds and money laundering, was suspended from procurement and nonprocurement transactions with HUD and throughout the Executive Branch of the Federal Government pending the outcome of criminal proceedings or any related debarment actions. Between January 2009 and March 2010, Ford allegedly embezzled and personally used more than \$250,000 in Ripley funds.

Tracey White-Jenkins, the former Irvington Housing Authority (Irvington) Section 8 director who was previously sentenced in U.S. District Court, **Newark, NJ**, for her earlier guilty plea to committing theft of government funds and submitting a false Federal income tax return, was debarred from procurement and nonprocurement transactions with HUD and throughout the Executive Branch of the Federal Government for 36 months. From November 2003 to May 2007, White-Jenkins fraudulently obtained, deposited, and personally used \$106,376 in Irvington housing assistance payments.

Please direct all inquiries regarding this message to PIH.RHIIP.TA@HUD.GOV.