

For Immediate Release  
July 28, 2011

**FORMER NEW MEXICO CORRECTIONS DEPARTMENT OFFICIAL  
PLEADS GUILTY TO 30-COUNT FEDERAL INDICTMENT**

***Laurie Chapman Admits Soliciting and Accepting \$237,080 in Bribes in Exchange  
for Steering Corrections Department Construction Jobs to Roofing Company***

ALBUQUERQUE – United States Attorney Kenneth J. Gonzales announced that, this morning in Albuquerque federal court, **Laurie Chapman**, 50, the former Facilities Manager for the New Mexico Corrections Department (NMCD), entered a guilty plea to a 30-count federal indictment charging her with corruptly soliciting and accepting an aggregate of \$237,080 in bribes from a roofing company in exchange for roofing contracts on NMCD facilities.

During today's plea hearing, Assistant United States Attorney Tara C. Neda outlined the evidence that the United States would have presented if the case had proceeded to trial, including the following information:

NMCD is a state agency that administers and maintains correctional facilities in the State of New Mexico. The Facilities Manager for NMCD is charged with responsibility 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."

At sentencing, Chapman faces a maximum penalty of ten years' imprisonment, a \$250,000 fine, and three years of supervised release on each of the 30 offenses. Chapman also will be required to forfeit \$237,080.00, the proceeds of her criminal conduct, to the United States. Chapman was released under pretrial supervision following her arraignment on April 27, 2011, and will continue on conditions of release pending her sentencing hearing, which has not yet been scheduled.

The case was investigated by the Federal Bureau of Investigation with assistance from the U.S. Bureau of Prisons, and is being prosecuted by Assistant United States Attorneys Tara C. Neda and Cynthia L. Weisman.

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