



PRESS RELEASE

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

For Immediate Release

December 20, 2012

**FORMER EXECUTIVE DIRECTOR OF TAOS COUNTY HOUSING
AUTHORITY ARRAIGNED ON FEDERAL THEFT CHARGES**

ALBUQUERQUE – This morning, Carmella Martinez, 41, and her husband Paul G. Martinez, 43, both of Arroyo Seco, N.M., were arraigned on a 49-count federal indictment charging them with conspiracy, theft from programs receiving federal funds, and theft of government property. The defendants entered not guilty pleas during the arraignment hearing and were release pending trial under pretrial services supervision and other conditions.

The indictment alleges that, between Nov. 2003 and Dec. 2011, Carmella and Paul Martinez stole federal funds provided by the U.S. Department of Housing and Urban Development (HUD) to the Taos County Housing Authority (TCHA) for a housing program that provides affordable housing for low-income Americans. During that time, Camilla Martinez was employed by the TCHA, initially as a Financial Specialist and later as its Executive Director.

HUD is a federal agency whose core mission is to make quality, affordable housing accessible to all Americans. It oversees and funds programs designed to provide affordable housing to low-income Americans, including the Housing Choice Voucher Program which is commonly referred to as “Section 8.” Through the Section 8 Program, HUD pays rent subsidies known as “Housing Assistance Payments” (HAP) to approved property owners and landlords on behalf of eligible low-income beneficiaries. According to the indictment, the TCHA administers the Section 8 Program on behalf of HUD in Taos County and receives approximately \$2.8 million in funds annually from HUD.

The indictment alleges that, while employed by the TCHA, Carmella Martinez was responsible for processing HAP checks to approved Section 8 property owners and landlords and providing preliminary approval of requests for rent subsidies to property owners and landlords under the Section 8 Program. Carmella Martinez allegedly abused her position with TCHA by conspiring with her husband to engage in the theft of Section 8 housing funds. In stealing these monies, Carmella Martinez allegedly issued fraudulent HAP checks for Section 8 housing assistance to payees, including to Paul Martinez and to bank accounts held by her and Paul Martinez. Carmella and Paul Martinez would then present the fraudulent checks for payment at various locations.

Count 1 of the indictment charges Camilla and Paul Martinez with conspiracy. A conviction on that charge carries a maximum penalty of five years of imprisonment and a \$250,000 fine. Counts 2 through 5 each charge the defendants with theft from programs receiving federal funds, and Counts 6 through 49 each charge the defendants with theft of government property. A conviction on each of these 48 counts carries a maximum penalty of ten years of imprisonment and a \$250,000 fine. Charges in indictments are only accusations. Defendants are presumed innocent unless proven guilty.

The case was investigated by the HUD Office of Inspector General and the Albuquerque Division of the FBI, and is being prosecuted by Assistant U.S. Attorney Shana B. Long.

###

12-361