

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**UNITED STATES OF AMERICA** : **CRIMINAL NO.** \_\_\_\_\_  
v. : **DATE FILED:** **January 18, 2011**  
: **VIOLATION:**  
**LILLIE ARMSTRONG** : **18 U.S.C. § 1001 (false statement to**  
: **federal government - 1 count)**  
: **18 U.S.C. § 641 (conversion of**  
: **government funds - 1 count)**  
: **18 U.S.C. § 1012 (HUD fraud - 1 count)**

**INDICTMENT**

**COUNT ONE**

(False Statement)

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

**The Housing Choice Voucher Program**

1. The United States Department of Housing and Urban Development (“HUD”) was a federal agency which, among other things, operated programs to help lower-income families obtain and pay for safe, sanitary and decent housing. Among such programs was HUD’s Housing Choice Voucher Program (“HCV Program”).

2. Local public housing authorities administered the HCV Program in accordance with federal rules and regulations, using federal funds disbursed by HUD. The Philadelphia Housing Authority (“the Housing Authority”) was a local public housing authority which administered HUD funds through the HCV Program.

3. Families participating in the HCV Program selected and leased housing from private owners of rental housing. That housing had to meet the quality standards established by the HCV Program. The HCV Program then used federal HUD funds to subsidize the families' rental payments.

4. To determine an individual's eligibility to receive HUD funds under the HCV Program, and the amount of any such subsidy, the Housing Authority required each applicant to complete an Application for Continued Participation ("the Application"). That Application required the accurate and complete disclosure of all of the applicant's employment, income, and assets. This form also required the applicant, as the head of the household, to disclose the identity of all persons living with the applicant, and the employment, income, and assets of every such household member. The head of household was required to sign the Application, certifying that the information provided was accurate and complete.

5. The Housing Authority reviewed the Application with the applicant in an in-person interview, and verified the stated sources of income. The Housing Authority then determined if the applicant was eligible for the HCV Program, and the appropriate amount of the federal housing subsidy for that applicant, based on the disclosures in the Application as to the applicant's household income, assets, and composition.

6. Every two years, the applicant was required to obtain recertification by submitting a new and complete Application to the Housing Authority. The Housing Authority again reviewed the renewal Application with the applicant in an in-person interview, and verified the stated sources of income. The Housing Authority then determined if the applicant remained

eligible for the HCV Program, and the appropriate amount of the federal housing subsidy for the year for that applicant, based on the same factors.

7. Because of the limited amount of HUD funds, the Housing Authority of Philadelphia County maintained a waiting list of families desiring to participate in the HCV Program.

The Defendant's Participation In The Program

8. Starting in about 1999, defendant LILLIE ARMSTRONG participated in the HCV Program administered by the Philadelphia Housing Authority.

9. On or about June 12, 2004, defendant LILLIE ARMSTRONG married J.W., a person known to the grand jury.

10. Defendant LILLIE ARMSTRONG submitted applications for the HCV Program on or about June 21, 2005, and March 14, 2007. Defendant signed each application, certifying to the accuracy of its contents, and reviewed each application in person with an HCV Program official.

11. Defendant LILLIE ARMSTRONG did not disclose on these applications that she had married J.W., and she did not disclose J.W.'s income.

12. Based on these applications, the Housing Authority approved rental and utility subsidies for defendant LILLIE ARMSTRONG in the amount of approximately \$848 per month. The rental subsidies and utility subsidies from February 1, 2006 to September 8, 2008 were more than \$24,000.

13. Defendant LILLIE ARMSTRONG knew that these applications were false and fraudulent because they failed to disclose that she was married and omitted information about her husband's wages from employment.

14. On or about March 14, 2007, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**LILLIE ARMSTRONG,**

in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, and made or used a false writing or document knowing that it contained a materially false, fictitious, or fraudulent statement or entry, that is, defendant LILLIE ARMSTRONG filed an Application for Continued Participation that failed to truthfully and accurately disclose her household composition and income in order to continue receiving federal housing subsidies which she was not entitled to receive.

All in violation of Title 18, United States Code, Section 1001(a)(2), (a)(3).

**COUNT TWO**

(Conversion of Government Funds)

**THE GRAND JURY FURTHER CHARGES THAT:**

1. The allegations of paragraphs 1-13 of Count One are incorporated here.
2. From on or about February 1, 2006 through on or about September 8,

2008, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**LILLIE ARMSTRONG**

embezzled, stole, purloined, and knowingly converted to her own use a thing of value of the United States in an amount over \$1,000, that is, at least \$24,000 in rental and utility subsidy payments made by the Philadelphia Housing Authority under HUD's Housing Choice Voucher Program on defendant LILLIE ARMSTRONG's behalf, and made based on defendant LILLIE ARMSTRONG's false and fraudulent statements to the Philadelphia Housing Authority.

In violation of Title 18, United States Code, Section 641.

**COUNT THREE**

(HUD Fraud)

**THE GRAND JURY FURTHER CHARGES THAT:**

1. The allegations of paragraphs 1-13 of Count One are incorporated here.
2. From on or about February 1, 2006 through on or about September 8,

2008, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**LILLIE ARMSTRONG**

received compensation, rebate, and reward with the intent to defraud the U.S. Department of Housing and Urban Development ("HUD") and to unlawfully defeat its purposes, in that defendant ARMSTRONG received at least \$24,000 in rent and utility subsidy benefits from the HUD as a result of false and fraudulent representations regarding her household composition and income.

In violation of Title 18, United States Code, Section 1012.

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**FOREPERSON**

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**ZANE DAVID MEMEGER  
UNITED STATES ATTORNEY**