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**THREE PEOPLE CHARGED IN TWO SEPARATE CASES WITH FRAUD
INVOLVING FEDERALLY SUBSIDIZED HOUSING ASSISTANCE PROGRAMS**

United States Attorney Zane David Memeger and Special Agent-in-Charge Joseph Clarke of the U.S. Department of Housing and Urban Development's Office of Inspector General announced the filing today of criminal charges against three individuals in two separate cases relating to fraud against the U.S. Department of Housing and Urban Development, in connection with federally funded housing assistance programs.

"The defendants in these cases sought to take advantage of a federal housing program which is meant to provide assistance to those who are truly struggling financially," said Memeger. "Our office will continue to investigate and vigorously prosecute those who circumvent the rules in order to receive housing benefits to which they are not entitled."

"In these difficult economic times with high unemployment rates and so many hard working Americans losing their homes to foreclosures, HUD's rental assistance program acts as an umbrella during these times of transition," said Clarke. "The criminal charges filed against these five individuals demonstrate the commitment of HUD-OIG and the Department of Justice to prosecute those who fraudulently take advantage of the housing assistance programs that are needed more than ever because of the current economic environment."

U.S. v. Figueroa, Santiago

Joel Santiago, 40, and Jamitte Figueroa, 39, both of Allentown, PA, were charged by Information¹ with receiving compensation, rebate or reward with the intent to defraud the United States Department of Housing and Urban Development ("HUD"). It is alleged that defendant Santiago entered into a Housing Assistance Program contract with HUD which specified, and in which Santiago agreed that, as the owner of a leased premises in which tenants were to receive HUD housing subsidies, he was not the parent of any member of the leasing family. It is alleged that defendants Santiago and Figueroa had a child together and that defendant Figueroa resided in an apartment owned by Santiago and received HUD subsidies, despite the prohibition.

¹An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

According to the charges, defendant Figueroa, in order to be eligible to receive these vouchers, expressly acknowledged that no member of the family was permitted to have an interest in the leased premises. For example, it is alleged that, on or about September 6, 2007, defendant Figueroa signed the Allentown Housing Authority Family Obligations document, which stated that: "the family must supply any and all information that the AHA and HUD determines is necessary in the administration of the program... Any information that the family provides must be true and complete... The family must not own or have any interest in the unit... The family must not receive rental assistance while residing in a unit owned by a parent... of any member of the family..." It is alleged that, despite the prohibited and undisclosed relationship between defendants Joel Antonio Santiago and Jamitte Figueroa, which made them ineligible to participate in the HUD program between in or about September 2002 and in or about August 2008, defendant Santiago received approximately \$44,382 as rent subsidy payments for defendant Figueroa from HUD.

If convicted, each defendant faces a maximum possible sentence of 1 year imprisonment, a \$100,000 fine, 1 year supervised release, and a \$100 special assessment as well as full restitution. The case was investigated by the Office of Inspector General of the United States Housing and Urban Development and is being prosecuted by Assistant United States Attorney Sherri A. Stephan.

U.S. v Armstrong

Lillie Armstrong, 56, of Philadelphia, was charged today by Indictment with making false statements in connection with an application for subsidized housing, obtaining subsidized housing through fraud, and receiving housing subsidies with the intent to defraud the U.S. Department of Housing and Urban Development. The indictment alleges that Lillie Armstrong received rental and utility subsidies of more than \$24,000 by making false statements and failing to disclose her 2004 marriage and her husband's income to the Philadelphia Housing Authority.

If convicted the defendant faces a maximum possible sentence of 16 years imprisonment, a \$600,000 fine, 3 years supervised release, and a \$225 special assessment. The case was investigated by the Department of Housing and Urban Development and the Department of Homeland Security, National Protection and Programs Directorate, Federal Protective Service, and is being prosecuted by Assistant United States Attorney Nancy Rue.

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