

**RECEIVED**

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF RHODE ISLAND

JUL 09 2013

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 MARIA VALLEE )

**U.S. DISTRICT COURT  
DISTRICT OF R.I.**

C.A. No.:

**CA 13- 512** L

**COMPLAINT**

1. This civil action, brought by the United States of America, (United States), on behalf of the Department of Housing and Urban Development, (HUD), an agency of the United States, seeks damages, civil penalties, and recovery of wrongfully paid monies, from Maria Vallee, under the False Claims Act, 31 U.S.C. § 3729, based upon false claims and statements made by Maria Vallee acting in deliberate ignorance of the truth or falsity of the information in order to obtain payment of HUD Community Development Block Grant (CDBG) funds from in or about April 2008 through in or about July 2008.

**Jurisdiction and Venue**

2. The jurisdiction of this Court is founded upon 28 U.S.C. §§ 1345, 1355, and 31 U.S.C. § 3730.

3. Venue is proper in this judicial district as Maria Vallee resides within the district and a substantial part of the events alleged herein occurred within the district, pursuant to 28 U.S.C. § 1391(b), and 31 U.S.C. § 3732(a).

4. The United States is the Plaintiff in this action. The CDBG loan program is a HUD program administered by various cities and towns across Rhode Island and provides low-interest loans to low and moderate-income families. In 2008, the interest rate on a HUD CDBG home repair loan was 3%.

5. The Town of North Providence was one of the Rhode Island municipalities administering the CDBG program.

6. Defendant Maria Vallee is a resident of Rhode Island, and subject to the jurisdiction of this Court.

7. As mandated by federal law outlining the acceptable uses of CDBG funds, the Town of North Providence's guidelines for the CDBG program provided that the purpose of the home repair program was to provide financing for the rehabilitation of existing housing for persons and families of low and moderate income and the elderly necessary to make such dwellings sanitary, decent and safe. 42 U.S.C. §§ 5305(a), (c).

8. Under the CDBG program, only individuals whose income falls within certain HUD limits set each year are eligible to participate in the loan program. In 2008, the maximum aggregate family income for a family applying for a home repair loan from the CDBG program was \$58,550.

#### **Factual Background**

9. During the relevant time frame, Maria Vallee held the position of Acting Finance Director for the Town of North Providence.

10. On or about May 5, 2008, Maria Vallee and her husband applied for a CDBG home repair loan.

11. At the time that the Vallees applied for the CDBG loan, the Vallees' combined income was \$125,000.

12. At all times material hereto, Maria Vallee had access to and was presumed to be familiar with the rules and regulations governing the CDBG program, and any failure on her part

to now the application of the program guidelines to her loan application was in deliberate ignorance of the truth or falsity of the information that was available to her.

13. At the time that the Vallees applied for the loan, Maria Vallee acted in deliberate ignorance concerning whether her and her husband's combined income, made the Vallees ineligible to receive a CDBG loan.

14. The Vallees sought the loan in order to install new siding on their home, a new deck, a new bay window, replacement windows, and new doors.

15. The Vallees' loan was approved in the amount of \$43,595.

16. Thereafter, on or about the following dates and in the amounts listed, Maria Vallee submitted requests for payment to the Town of North Providence to be made from the HUD CDBG loan program to the contractor that performed the work at her home:

- (a) June 3, 2008, \$10,000.00;
- (b) July 24, 2008, \$10,000.00;
- (c) August 1, 2008, \$10,000.00;
- (d) August 8, 2008, \$10,000.00; and
- (e) September 23, 2008, \$3,595.00

17. At the time she submitted the requests for payment referenced in Paragraph 16, Maria Vallee acted in deliberate ignorance concerning whether she and her husband were eligible to receive CDBG loan funds because their income was over the limit and whether the repairs for which they sought payment were necessary to make their home sanitary, decent and safe.

18. In addition to the approved loan amount of \$43,595.00, on or about July 29, 2008, Maria Vallee, acting in deliberate ignorance concerning she and her husband's loan eligibility

based on their income and purpose of the loan, caused the Town of North Providence to issue a check from the CDBG loan account in the amount of \$4,300.00 to a stone mason for cosmetic improvements to the front steps leading into the Vallees' home.

19. At the time she caused the Town of North Providence to issue the check for \$4,300 described in Paragraph 18, Maria Vallee acted with deliberate ignorance concerning whether: (a) she and her husband were eligible to receive CDBG loan funds because their income was over the limit; (b) the money she sought was not necessary to make their home sanitary, decent and safe; (c) and the funds had been approved as part of her original loan application to the Town.

### Count I

#### Violation of False Claims Act – 31 U.S.C. § 3729

20. Plaintiff incorporates by reference all preceding paragraphs of this complaint.

21. Between on or about June 3, 2008, and on or about September 23, 2008, Defendant Maria Vallee knowingly caused to be presented to an agent of the United States government false claims for HUD CDBG loan proceeds made payable to third parties, acting with deliberate ignorance concerning the accuracy of the information contained therein, in violation of the False Claims Act, 31 U.S.C. § 3729(a)(1).

22. The Town of North Providence made payments to third-parties, on behalf of Defendant Maria Vallee, for false claims for proceeds of HUD CDBG loan funds in the total amount of \$47,895.00.

23. Because of Defendant Maria Vallee's deliberate ignorance of the truth or falsity of the information contained in the claims, the United States sustained single damages in the amount of \$47,895.00.

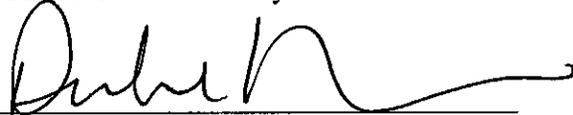
**PRAYER FOR RELIEF**

WHEREFORE, the United States demands judgment against defendants as follows:

- (1) Triple the amount of single damages proven at trial, plus civil penalties of \$5,500 to \$11,000 for each false claim submitted, as permitted by law;
- (2) the costs of this action, plus interest, as provided by law; and
- (3) any other relief that this Court deems appropriate.

Respectfully submitted,

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United States Attorney



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