



# Department of Justice

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**FEDERAL HUD INVESTIGATION RESULTS IN NORTH PROVIDENCE TOWN EMPLOYEE  
REIMBURSING HUD LOAN PROGRAM MORE THAN \$48,000; TO PAY \$78,000 IN DAMAGES**

PROVIDENCE, R.I. – Maria Vallee, 47, of North Providence, R.I., a municipal employee for the town of North Providence, will pay more than \$78,000 in damages after having reimbursed nearly \$48,000 of Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) monies she received in the form of loans from the town of North Providence which she was not qualified to receive, according to a Civil Complaint and a Consent Judgment filed today with the U.S. District Court in Providence.

The CDBG loan program is a HUD program administered by various municipalities across Rhode Island to provide low interest loans to low and moderate-income families and the elderly to make necessary repairs to existing housing.

According to the Complaint, announced by United States Attorney Peter F. Neronha and Cary A. Rubenstein, Special Agent in Charge of the Northeast Region of the U.S. Department of Housing and Urban Development Office of Inspector General, between April and July 2008, Vallee applied for and received a total of \$47,895 in HUD CDBG loans, even though she was aware that her and her husband's combined salaries of \$125,000 exceeded maximum salary guidelines. The maximum aggregate family income for a family applying for a home repair loan from the CDBG program was \$58,550.

The guidelines for HUD CDBG loans require that loan monies be used to make dwellings sanitary, decent and safe. According to court documents, the Vallees used the HUD CDBG loans to finance the installation of new siding, a bay window, replacement windows, a door, and a new deck on their North Providence residence. A subsequent request added monies to make cosmetic changes to stairs leading to the home.

According to the Consent Judgment, in addition to having reimbursed the town and the HUD CDBG loan program \$47,895, the total amount of the loans, Vallee must also pay an additional \$78,292.50 in damages.

The matter, handled by Assistant U.S. Attorney Dulce Donovan, was investigated by the U.S. Department of Housing and Urban Development Office of Inspector General.

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