

Former HUD employee accused of housing fraud

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A former U.S. Housing and Urban Development employee accused of collecting Section 8 rental assistance on properties she and her husband managed and controlled pleaded not guilty in U.S. District Court Wednesday to five counts of wire fraud.

Chun Mei Tong, 42, a former HUD financial analyst, also pleaded not guilty to three counts of aggravated identity theft. She was accused of signing Section 8 owner authorization forms under the alias Debbie Kim for three rentals even though somebody else owned the properties.

U.S. Magistrate Judge Richard L. Puglisi scheduled Tong to stand trial on the charges in February. He also ordered Tong released on a \$50,000 unsecured signature bond.

Authorities arrested Tong on Saturday. She remained in custody on Christmas pending her arraignment on Wednesday.

According to the federal indictment against her, Tong was the primary HUD contact for Oahu and Maui local public housing authorities that administer the Section 8 program on behalf of HUD and distribute the HUD funds.

Federal conflict-of-interest regulations prohibited Tong and her husband from participating in the Section 8 program and required them to divest any financial interest they had in any Section 8 properties.

The indictment accuses Tong and her husband, through their property management company Affordable Housing LLC, of convincing owners of properties in foreclosure or in mortgage distress to move out. They then took control of the properties and rented them out to tenants through the Section 8 program. The indictment says the Tongs carried out the scheme from September 2014 to about August 2017.

Tong's husband signed documents identifying himself as the owner and manager of some properties, according to the indictment, but is not charged with any crimes.