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Former head of foster care agency accused of embezzling agency money for luxury purchases, trips

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By Maxine Bernstein | The Oregonian/OregonLive

A federal grand jury returned a 15-count indictment against Mary Holden Ayala, charging her with multiple counts of theft, failing to file a false federal tax return and theft concerning programs receiving federal funds.

A federal grand jury has charged a Portland woman with theft of more than \$800,000 from a foster care agency where she had served as president and executive director.

An indictment charges Mary Holden Ayala, 56, with theft, money laundering and filing false personal tax returns.

Ayala served as president and executive director of the state licensed private foster care agency called, Give Us This Day, until its closing in September 2015.

Ayala is accused of embezzling at least \$800,000 of the foster care agency's money between 2009 and 2015.

She spent the money that was intended to support foster care services, children and families on her own luxury retail purchases, trips and vacations to casinos, on mortgage loan payments and remodeling projects for her home in West Linn and to support independent business ventures, the indictment alleges.

Gives Us This Day, which received state and federal funding, was an agency that hired and screened foster parents and paid community-based foster parents for services. It also placed foster children in residential care or group homes, hiring and training residential counselors and managers who worked at the group foster homes.

The troubled Portland foster care provider also has faced dozens of abuse and neglect reports since 2001, with serious accusations, including rape and sexual assault, allowed to pass without full investigations, according to the state Department of Human Services.

At least \$25,000 of the agency's funds, which was intended to support foster care services, children and families, at luxury retail stores, including Louis Vuitton, Michael Kors, Coach and Nordstrom, according to the indictment. She spent at least \$20,000 of the agency funds at nail salons, beauty supply stores and at a cosmetic surgery clinic, the indictment says.

She spent at least \$100,000 on her own travel and vacations, including trips to casinos in Louisiana, Las Vegas and Spirit Mountain Lodge in Oregon. The money also supported vacations at the Westin Maui Resort and Spa in Hawaii and resorts in Texas and Alabama, the indictment alleges.

She fraudulently used the agency's bank accounts and debit cards to pay for her personal expenses, federal officials allege.

She's also accused of filing false personal income tax returns from 2009 through 2014, and failing to file a return in 2015.

FBI agents arrested Ayala on Tuesday in Holly Springs, Mississippi. She appeared before a federal magistrate judge on Wednesday in Oxford, Mississippi.

The FBI, the Department of Health and Human Services' Office of Inspector General and the Internal Revenue Service conducted the criminal investigation.

Federal prosecutors will seek to keep Ayala in custody at a detention hearing later this week, concerned she might not voluntarily return to Oregon to face the indictment.

In 2015, the Oregon Department of Justice filed a lawsuit against Ayala in Marion County Circuit Court, alleging a yearslong plot involving three charities and the misspending of at least \$2 million in state funds.

At that time, Ayala told The Oregonian/OregonLive that the allegations were "totally not true" and said she had been owed at least \$1 million since taking over Give Us This Day in 1999. She said she often worked for free and would go months without being paid, even mortgaging her house to keep Give Us This Day afloat.

-- Maxine Bernstein

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