



U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

August 21, 2018

MEMORANDUM NO:
2018-FW-1802

Memorandum

TO: Dane M. Narode,
Associate General Counsel, Office of Program Enforcement, CACC

//signed//

FROM: Kilah S. White,
Regional Inspector General for Audit, 6AGA

SUBJECT: Final Civil Action: The Former Executive Director of the Housing Authority of the City of Beeville, TX, Et Al, Settled False Claims Allegations in the Housing Choice Voucher Program

INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), assisted HUD's Office of General Counsel, Office of Program Enforcement, in the civil review of the former executive director of the Housing Authority of the City of Beeville, TX, her brother, and her sister.

BACKGROUND

The former executive director worked at the Authority for more than 37 years and resigned as executive director on February 17, 2015. She managed the Authority's various HUD-funded public housing programs. As of August 1, 2014, the Authority administered 226 housing choice vouchers and received Housing Choice Voucher Program administrative fees and housing assistance payments.¹

RESULTS OF REVIEW

In violation of the housing assistance payment contract's conflict-of-interest requirements, the former executive director executed housing assistance payment contracts on behalf of the Authority with her brother and sister. The former executive director did not fully disclose the conflicts-of-interest and had not sought a waiver from HUD's Office of Public and Indian Housing until the OIG's review occurred. As a result, both siblings received housing assistance

¹ See OIG audit memorandum 2014-FW-1804, The Management of the Housing Authority of the City of Beeville, Beeville, TX, Did Not Exercise Adequate Oversight and Allowed Ineligible and Unsupported Costs, issued August 1, 2014.

payments as landlords, and the Authority paid them \$31,555 for ineligible housing assistance payments.

On June 21, 2018, the Office of Program Enforcement executed a settlement agreement showing that HUD had filed a complaint against the former executive director and her siblings under the Program Fraud Civil Remedies Act of 1986,² for causing false claims to be made in HUD's Housing Choice Voucher Program. The respondents agreed to pay HUD \$40,000 to settle the false claim allegations. The agreement required an initial payment of \$13,320, 53 monthly payments of \$500, and a final payment of \$180. The settlement was not an admission of liability or fault on the part of any parties.

RECOMMENDATION

We recommend that HUD's Office of General Counsel, Office of Program Enforcement,

- 1A. Acknowledge that the \$40,000 in the settlement agreement represents an amount due HUD.

As of July 18, 2018, the respondents had paid the initial payment of \$13,320 and one monthly payment of \$500. At issuance of this memorandum, HUD OIG will enter a management decision into HUD's Audit Resolution and Corrective Action Tracking System, along with any supporting payment information received to date. In accordance with HUD Handbook 2000.06, REV-4, the final action target date will be set at December 31, 2022. (30 days after the final payment is due).

² 31 U.S.C. (United State Code) 3801-3812 as implemented by 24 CFR (Code of Federal Regulations) Part 28