



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

September 6, 2016

MEMORANDUM NO:
2016-FW-1802

Memorandum

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

//signed//

FROM: Theresa A. Carroll
Acting Regional Inspector General for Audit, 6AGA

SUBJECT: Final Civil Action: The City of Brackettville Housing Authority's Prior
Executive Director Improperly Used Authority Funds for Personal Expenses

INTRODUCTION

In accordance with our regional plan and because of weaknesses identified by the U.S. Department of Housing and Urban Development's (HUD) Office of Public Housing, we reviewed the City of Brackettville Housing Authority, Brackettville, TX. The review was part of a joint initiative between the HUD Office of Inspector General's (OIG) Office of Audit and Office of Investigation. We completed the review and referred the former executive director's improper use of Authority funds for personal expenses to HUD's Office of Program Enforcement for action under the Program Civil Fraud Remedies Act of 1986.

BACKGROUND

The Authority incorporated under the laws of the State of Texas and is governed by a five-member board of commissioners appointed by the mayor of Brackettville. The board is responsible for establishing operating policies and overseeing the executive director, who manages the Authority's day-to-day operations. The Authority owns and manages 48 low-rent public housing units. HUD provided operating subsidies, Public Housing Capital Fund program funds, and American Recovery and Reinvestment Act funds to the Authority for it to manage, maintain, operate, and improve its public housing developments. The Authority agreed to comply with HUD's regulations and other requirements.

RESULTS OF REVIEW

On January 6, 2016, the Office of Program Enforcement filed a complaint against the former executive director of the Authority with the Office of Hearings and Appeals. The action centered on improper use of Authority funds for personal expenses. During the former executive director's tenure, the Authority paid for a mobile phone for her husband. Additionally, the Authority paid for fuel when Authority employees were on personal leave and for decorative candles. The total amount of inappropriate expenditures was \$1,854. All of these issues were violations of government procurement regulations covered by the annual contributions contract between HUD and the Authority. To arrive at a mutually satisfactory resolution of the matter and without the expense and uncertainty of further litigation, the former executive director agreed to pay HUD \$5,000. The settlement agreement did not constitute an admission of liability or fault on the part of either party.

RECOMMENDATIONS

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

1A. Acknowledge that the attached settlement agreement for \$5,000 represents an amount due HUD.

As of the date of this memorandum, the settlement amount due HUD was paid in full. Therefore, no further action is required by the Office of General Counsel. At issuance of this memorandum, we will enter a management decision into HUD's Audit Resolution and Corrective Action Tracking System, along with the supporting payment information, to show that final action was completed.