



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

May 21, 2018

**MEMORANDUM NO:**  
2018-FW-1801

## *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: BSR Trust, LLC, Settled Allegations of Making False Claims  
Related to Section 8 Housing Assistance Payments

### **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 investigation of Summit Bradford Apartments, LP, and BSR Trust, LLC. The owner executed a housing assistance payments contract for Summit Bradford Apartments, a 191-unit housing development located in Tulsa, OK.

### **BACKGROUND**

HUD controlled the property through a housing assistance payments contract that was renewed with Summit Bradford Apartments, LP, the owner, on September 23, 2007, for 20 years. The agreement provided that housing assistance payments would be made only for decent, safe, and sanitary units occupied by eligible families. The owner submitted certifications for housing assistance payments on 17 units<sup>1</sup> that did not have electricity or were vacant.<sup>2</sup>

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<sup>1</sup> Summit Bradford Apartments, Tulsa, OK, Section 8 Project-Based Program, 2014-FW-1001, April 9, 2014

<sup>2</sup> Regulations at 24 CFR (Code of Federal Regulations) 5.703 required the owner to keep the kitchen, lighting, outlets, switches, and electrical systems of the units free of health and safety hazards, functionally adequate, and operable.

## **RESULTS OF INVESTIGATION**

On April 17, 2018, the Office of Program Enforcement issued a letter stating that it had reached a resolution under a Program Fraud Civil Remedies Act of 1986<sup>3</sup> case regarding Summit Bradford Apartments located in Tulsa, OK, following its review. The Government alleged that the owner submitted 40 false claims under the Act.

The Office of Program Enforcement included with its letter the March 28, 2018, settlement agreement with BSR Trust, LLC, Summit Bradford Apartments' management agent. BSR Trust, LLC, agreed to pay the Federal Government \$30,000 to settle the false claim allegations. The settlement agreement was not an admission of liability or fault on the part of any party.

## **RECOMMENDATION**

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

- 1A. Acknowledge that \$30,000 in the settlement agreement represents an amount due HUD.

As of the date of this memorandum, the settlement amount of \$30,000 had been satisfied. Therefore, no further action is required by the Office of General Counsel. At issuance of this memorandum, HUD OIG 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.

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<sup>3</sup> 31 U.S.C. (United States Code) 3801-3812