

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF HEARINGS AND APPEALS

UNITED STATES DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT,

Petitioner,

v.

RUVIM SAVIN,

Respondent.

21-JM-0061-PF-002

May 26, 2021

Appearances: Terri L. Román, Esquire
Department of Housing and Urban Development

Presiding Judge: J. Jeremiah Mahoney
Chief United States Administrative Law Judge
U. S. Department of Housing and Urban Development

DEFAULT JUDGMENT AND ORDER

This case arises from a *Complaint* filed on January 29, 2021, by the United States Department of Housing and Urban Development (“HUD” or “the Department”) against Ruvim Savin (“Savin” or “Respondent”), whereby HUD sought two penalties under the Program Fraud Civil Remedies Act of 1986 (“PFCRA”), 31 U.S.C. §§ 3801-3812, as implemented by 24 C.F.R. part 28. The *Complaint* alleges Respondent violated the PFCRA by submitting two false statements to HUD in connection with his participation in the Project-Based Section 8 Housing Program (“the Program”).

The *Complaint* was served on Respondent via UPS on February 2, 2021. A response was due within thirty days. However, to date, Respondent has not filed a response to the *Complaint*, requested an extension of time to do so, or otherwise appeared before the Court in this matter.

On April 30, 2021, HUD filed a *Motion for Default Judgment Against Ruvim Savin* on account of his failure to timely respond to the *Complaint*. On May 3, 2021, the Court issued an *Order to Show Cause* directing Respondent to respond to the *Complaint* and provide a written explanation for his failure to timely file said response. Respondent has not responded to HUD’s motion or to the *Order to Show Cause*.¹

¹ HUD sent the *Motion for Default Judgment Against Ruvim Savin* to Respondent via UPS, but Respondent refused to accept it. Subsequently, HUD personally served Respondent with a copy of the motion, as well as a copy of the

LEGAL FRAMEWORK

PFCRA. Under the PFCRA, liability may be imposed on a person who makes, presents, submits, or causes to be made, presented or submitted, a written statement to the Department that the person knows or has reason to know asserts a material fact which is false, fictitious, or fraudulent. See 31 U.S.C. § 3802(a)(2)(A). HUD may seek a penalty for each false claim up to \$8,500 for claims made on or after February 19, 2013. See 78 Fed. Reg. 4057 (Jan. 18, 2013) (adjusting the maximum penalty to \$8,500). A duly appointed Administrative Law Judge (“ALJ”) is authorized to enter findings of fact and impose authorized penalties for violations. See 31 U.S.C. § 3803; 24 C.F.R. § 28.40. The presiding judge in this matter has been appointed as an ALJ by the HUD Secretary.

Project-Based Rental Assistance Program. The program involved in this case was the Project-Based Section 8 Rental Assistance Program, through which HUD provides rental subsidies to assist low-income individuals and families in obtaining affordable, decent, safe, and sanitary housing through a Housing Assistance Payments (“HAP”) Contract. See 42 U.S.C. § 1437f(o)(13); 24 C.F.R. § 886.123. HUD makes assistance payments to the owner of an assisted unit on behalf of an eligible family, defined as having income at or below 80 percent of the area median income adjusted for family size. 24 C.F.R. § 886.109. The family pays the higher of (1) 30 percent of its monthly adjusted income, (2) 10 percent of its monthly income, (3) welfare rent (if applicable), or (4) \$25 minimum rent. The owner or management agent calculates the amount of the assistance payment, which is the difference between the contract rent and the family’s share of the rent. 24 C.F.R. § 886.109(a).

The owner is responsible for reexamining the family’s income and composition at least once each year and adjusting the amount of assistance payments accordingly. 24 C.F.R. § 886.124(a).

Process. Pursuant to 24 C.F.R. § 28.30(b), a respondent must submit a written response to a PFCRA complaint, which shall be deemed to be a request for a hearing, to HUD and the Office of Hearings and Appeals no later than thirty days following service of the complaint.

If a respondent does not timely file a request for hearing in response to the Department’s complaint, the Department is authorized to file a motion for default judgment, attaching to it a copy of the complaint, as set forth at 24 C.F.R. §§ 28.30(b) and 26.41(a). A default constitutes “an admission of all facts alleged in the Government’s complaint and a waiver of respondent’s right to a hearing on such allegations.” 24 C.F.R. § 26.41(c). In the event of default, the penalty proposed in the complaint “shall be immediately due and payable by respondent without further proceedings.” Id.

Court’s *Order to Show Cause*, on May 13, 2021, by hand delivering the documents to an individual at Respondent’s address who identified herself as his aunt. The time for Respondent to respond to HUD’s motion has now expired. See 24 C.F.R. §§ 26.40(b), 26.41(a).

FACTS RECITED IN COMPLAINT

1. Homewood Terrace Mutual Homes (“Homewood Terrace”) is an FHA-insured housing cooperative divided into three phases (I, II, and III) located in Auburn, Washington.
2. Respondent served as the Board Secretary for Homewood Terrace and was responsible for, among other things, executing certifications in connection with HAP Contracts.
3. HUD’s regulations require Homewood Terrace to reexamine the income and composition of all tenants at least once a year. 24 C.F.R. § 886.124(a).
4. Beginning around April 1, 2015, Homewood Terrace stopped conducting annual reexaminations of certain of its Section 8 tenants.
5. Despite the fact that some tenant income reexaminations were past due, Respondent, the former Board Secretary for Homewood Terrace, certified on Homewood Terrace’s monthly HAP requests for May 2015 that “each tenant’s eligibility and assistance payment was computed in accordance with HUD’s regulations, administrative procedures, and the Contract, and are payable under the Contract.”
6. Respondent’s certification on the May 2015 HAP request for Phase II was false because tenants [REDACTED] were past due for recertification.
7. Respondent’s certification on the May 2015 HAP request for Phase III was false because tenant [REDACTED] was past due for recertification.
8. Respondent knew or should have known that his certifications on the May 2015 HAP requests for Phases II and III were false because Homewood Terrace had failed to complete past due recertifications for tenants.
9. As both the Board Secretary and the person who executed the certifications at issue, Respondent had an obligation to know the truth or falsity of his certifications.
10. As a consequence of Respondent’s false certifications, HUD made Section 8 payments without accurate information regarding the tenants whose rent it was subsidizing in violation of applicable regulations.

CONCLUSIONS AND PENALTY

HUD filed the *Complaint* in this matter on January 29, 2021, and served it on Respondent on February 2, 2021. However, to date, Respondent has not filed an answer, nor has he responded to HUD’s *Motion for Default Judgment Against Ruvim Savin* or the *Order to Show Cause* issued by the Court.

Due to his failure to timely file an answer in accordance with 24 C.F.R. § 28.30 or otherwise defend himself in this matter, Respondent is in default under 24 C.F.R. § 26.41.

Accordingly, Respondent is deemed to have admitted all facts alleged in the *Complaint* and to have waived his right to a hearing on the penalty proposed in the *Complaint*. See 24 C.F.R. § 26.41(c).

By reason of the facts recited above and deemed admitted in this matter, Respondent has knowingly and materially submitted false statements to HUD. Respondent's knowing and material submission of false statements to HUD in connection with the Program justify HUD's request for a determination finding the Respondent liable for two civil penalties totaling \$17,000, pursuant to the PFCRA, 31 U.S.C. § 3802(a), and 24 C.F.R. § 28.10.

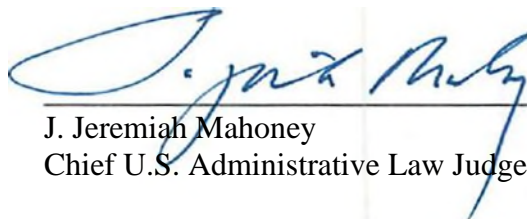
ORDER

Accordingly, it is hereby **ORDERED** that:

1. Pursuant to the foregoing, the Department's *Motion for Default Judgment Against Ruvim Savin* is **GRANTED**, and Respondent Savin is hereby found in **DEFAULT**.
2. Based upon the foregoing findings of fact, Respondent is liable under the PFCRA for two false statements made in May 2015.
3. Respondent shall pay to HUD civil penalties totaling \$17,000. Such amount is due and payable immediately without further proceedings. 24 C.F.R. § 26.41(c).

This Order constitutes the **FINAL AGENCY ACTION**. 24 C.F.R. § 26.41(b).

So **ORDERED**,



J. Jeremiah Mahoney
Chief U.S. Administrative Law Judge

Notice of Appeal Rights. Judicial review of this decision is available as set forth in 31 U.S.C. § 3805.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **DEFAULT JUDGMENT AND ORDER**, issued by J. Jeremiah Mahoney, Chief Administrative Law Judge, HUDOHA 21-JM-0061-PF-002, were sent to the following parties on this 27th day of May 2021, in the manner indicated:

VIA FIRST-CLASS MAIL:

Ruvim Savin

Respondent



Ruvim Savin

Respondent



VIA EMAIL:

Terri L. Román
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A handwritten signature in blue ink that reads "Cinthia Matos". The signature is written over a horizontal line.

Cinthia Matos, Docket Clerk
HUD Office of Hearings and Appeals