

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.

SHAWN D. PITTS,

Respondent.

15-AF-0111-PF-017

December 28, 2015

**DEFAULT JUDGMENT AND ORDER**

The above-captioned matter is before this Court on a *Motion for Default Judgment and Order* (“Motion”), filed on October 21 2015, by the United States Department of Housing and Urban Development (“the Government” or “HUD”) against Respondent Shawn D. Pitts. Respondent did not file an Answer to HUD’s *Complaint*, nor did it respond to the present Motion. Accordingly, the Government’s motion is **GRANTED**.

On the August 28, 2015, the Government filed a *Complaint* against Respondent. The *Complaint* alleged violations of the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, as implemented by 24 C.F.R. Part 28, and sought \$24,415 in civil penalties and assessments for fifteen false claims submitted to HUD. The *Complaint* charged that Respondent submitted, or caused to be submitted, fifteen false claims in connection with his employment as a security guard for The Housing Authority of East Chicago, Indiana, a recipient of HUD funds. Specifically, the *Complaint* alleged that Respondent submitted false time sheets claiming pay for hours he had not worked and that he received payment from the Housing Authority in the amount of \$5,290 for the hours he falsely reported.

The *Complaint* notified Respondent of his right to respond to HUD’s allegations and request a hearing. It also notified him that any response must include the admission or denial of all the allegations against him, that a failure to respond could result in HUD seeking a default judgment that could result in a finding that he had admitted all the allegations against him, and that the penalties set forth in the *Complaint* would be immediately due and payable without further proceedings in the event of an issuance of a default order.

Copy of the *Complaint* was delivered to Respondent’s home on August 31, 2015. In the *Motion*, HUD states that Respondent subsequently confirmed his home address to the Government during a phone call. Furthermore, HUD asserts that it mailed two letters to

Respondent at the address to which the *Complaint* was sent and was confirmed by Respondent as his home address, but HUD received no response from Respondent. Thus, service to Respondent is complete.

To date, Respondent has not filed a response, despite receiving more than thirty days in which to answer.

HUD's regulations provide that if a respondent fails to file a timely response to a complaint against it, the Administrative Law Judge may, upon motion, issue a default judgment against that party. 24 C.F.R. § 26.41(a). Moreover, failure to file a timely response, as defined by HUD regulations, constitutes an admission of all facts alleged in the *Complaint*, a waiver of respondent's right to a hearing, and entitles the petitioner to a judgment in the amount proposed in its complaint. 24 C.F.R. § 26.41(c).

### FINDINGS OF FACT

1. HUD filed a *Complaint* against Respondent on August 28, 2015.
2. Respondent received the *Complaint* on August 31, 2015.
3. Respondent has not responded to HUD's *Complaint*.
4. Pursuant to HUD regulations, any response to HUD's *Motion for Default Judgment and Order* was due no later than October 3, 2015.
5. Respondent has not responded to HUD's *Motion*.
6. On November 19, 2015, the Court ordered Respondent to show cause, by November 30, 2015, as to why HUD's *Motion* should not be granted.
7. Respondent did not respond to the Court's *Order to Show Cause*.
8. Respondent has failed to defend this action.
9. Due to Respondent's failure to respond to HUD's *Complaint*, all facts alleged in the *Complaint* are deemed admitted by the Respondent.

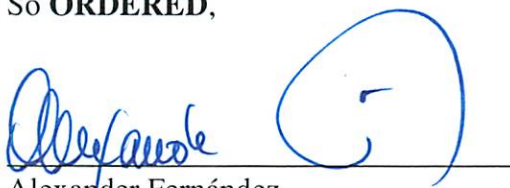
### CONCLUSIONS OF LAW

By reason of the facts in the *Complaint*, which are deemed admitted by Respondent, Respondent submitted, or caused to be submitted, fifteen false time sheets to the Public Housing Authority in connection with his employment as a security guard for The Housing Authority of East Chicago, Indiana, a recipient of HUD funds. Accordingly, these time sheets constitute claims pursuant to 31 U.S.C. §3801(a)(3). Because the claims were false and because Respondent received payment on the basis of the false claims, Respondent is liable for civil penalties and an assessment under the Program Fraud Civil Remedies Act. 31 U.S.C. § 3802(a)(1) and 24 C.F.R. § 28.10(a). The maximum amount for which Respondent could be held liable in this matter consists of fifteen civil penalties of \$7,500 each and an assessment in

the amount of double the total amount of the claim, for a combined total liability of \$117,790. In its *Complaint*, the Government seeks only \$19,125 in combined civil penalties, an assessment of \$5,290, for a total of \$24,415. Therefore, this Court finds Respondent liable for \$24,415 under the Program Fraud Civil Remedies Act. Default judgment is hereby entered against Respondent Shawn D. Pitts under the Program Fraud Civil Remedies Act in the amount of \$24,415.

This Order constitutes final Agency action.

So **ORDERED**,



Alexander Fernández  
Administrative Law Judge

**NOTICE OF APPELLATE RIGHTS.** This Order constitutes the **FINAL AGENCY ACTION**. 24 C.F.R. § 26.41(b). Judicial review may be available in accord with applicable statutory procedures and the procedures of the appropriate federal court. 24 C.F.R. § 26.54; 31 U.S.C. § 3805.