Real Estate Asset Managers (REAMs) must be impartial when conducting HUD business. Sound business decisions without preferential treatment or appearance of favoritism, require constant attention. These prohibited activities are designed to protect program integrity. High standards of honesty and conduct are essential in assuring public confidence in Government business. Avoiding misconduct and conflicts of interest is indispensable to maintaining these standards. This document, while not all inclusive, provides specific prohibitions. It summarizes those areas with repetitive problems and reiterates many related Federal laws and contractual clauses.

Prohibited Activities

1. General—You shall not:
   a. Accept money, favors, gratuities, entertainment, or anything of value that might affect or be reasonably interpreted as affecting your impartiality or influencing contractual action.
   b. Accept direct or indirect payment, fee, commission, compensation, or gratuities of any kind as an inducement of or acknowledgment of purchases made by you or by the Government following your solicitation.
   c. Employ, or enter into a contract for the purchase of materials or services from any person, firm, or corporation in which you have a direct or indirect interest or in the proceeds you are to share. This prohibition shall extend to firms in which your spouse, minor child, dependent, or partner may have a financial interest.
   d. Identify the names of those invited to bid on the invitation to Bid form.
   e. Favor or provide a competitive advantage to any one firm, individual, or others seeking Government business.
   f. Split repair work to circumvent formal contracting procedures.

2. Contracting—You shall not deprive HUD in any way of the benefit of full, free, and unrestricted competition by engaging in any of the following practices:
   a. Use contractors who have been excluded from participating in HUD or other Federal Government activities.
   b. Select contractors on an arbitrary basis in lieu of using the bidder rotational basis.
   c. Knowingly solicit bids from paper or dummy firms.
   d. Develop repair specifications that are deliberately restrictive.
   e. Submit monthly invoices which you cannot support by documentation such as other types of billings, cancelled checks, or other cancelled negotiable instruments.
   f. Award contracts to other than the low bidder without solid justification.
   g. Submit duplicate billings for the same work or material.
   h. Recommend payment for work not completed.
   i. Alter contractor invoices.
   j. Create fictitious companies to give the appearance of competitive bidding.
   k. Submit false or fraudulent claims.

3. Bidding—You shall not engage in collusive bidding with any individual or firm bidding for a repair contract to:
   a. Charge excessive prices.
   b. Rotate low bidders.
   c. Make promises to prospective buyers that HUD will accomplish certain repairs (which HUD has not publicly stated it will do).
   d. Refuse to sell any HUD property to a prospective buyer because of race, color, creed, religion, sex, national origin, age, familial status, disability.
   e. Refuse to sell any HUD property to a prospective buyer because of race, color, creed, religion, sex, national origin, age, familial status, disability.
   f. Refuse to allow contractors to compete because of race, color, creed, religion, sex, national origin, age, familial status, or disability.
   g. Engage in fictitious billings.
   h. Submit false or fraudulent claims.
   i. Alter contractor invoices.

4. Inspection and Payments—You shall not:
   a. Accept money, favors, gratuities, entertainment, or anything of value that might affect or be reasonably interpreted as affecting your impartiality or influencing contractual action.
   b. Refuse to allow contractors to compete because of race, color, creed, religion, sex, national origin, age, familial status, disability.
   c. Fraudulently modify inspection reports.
   d. Submit false or fraudulent claims.
   e. Refuse to sell any HUD property to a prospective buyer because of race, color, creed, religion, sex, national origin, age, familial status, disability.
   f. Accept a bid which does not contain a price for all repair items included in the Invitation to Bid form.

5. Real Estate Practices—If you are permitted to sell properties in your inventory, you shall not:
   a. Place HUD “For Sale” signs on properties that are not HUD-owned.
   b. Provide earnest money or down payments for buyers of HUD properties.
   c. Make promises to prospective buyers that HUD will accomplish certain repairs (which HUD has not publicly stated it will do).
   d. Encourage prospective buyers to falsely certify they intend to occupy the property they are buying.
   e. Act to restrain or inhibit prospective buyers from seeing or bidding on HUD-owned houses.
   f. Submit offers to purchase on behalf of a “straw buyer”, i.e., an individual who intends to purchase a HUD-owned property with an FHA-insured mortgage stating he/she will be an owner-occupant when, in fact, the property is being purchased for another individual who does not qualify for the purchase.
   g. Accept money, favors, gratuities, entertainment, or anything of value that might affect or be reasonably interpreted as affecting your impartiality or influencing contractual action.
   h. Refuse to allow contractors to compete because of race, color, creed, religion, sex, national origin, age, familial status, disability.
   i. Purchase HUD-owned properties managed under the contact. This prohibition extends to members of your immediate family or household or by any entity in which they have any direct, indirect or financial interest.

I hereby certify that I have read the above Prohibited Activities and will not engage in any of the Prohibited Activities while a Real Estate Asset Manager for the Department of Housing and Urban Development.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature

Date (mm/dd/yyyy)