

UNITED STATES OF AMERICA  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Washington, D.C.

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**In the Matter of:**

**SEAN TEELUCKSINGH,**

**Respondent.**

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**DOCKET NO. 08-3503-DB**

**DEBARRING OFFICIAL'S DETERMINATION**

**INTRODUCTION**

By Notice dated December 10, 2007 ("Notice"), the Department of Housing and Urban Development ("HUD") notified Respondent SEAN TEELUCKSINGH that HUD was proposing his debarment from future participation in procurement and nonprocurement transactions as a participant or principal with HUD and throughout the Executive Branch of the Federal Government for a three-year period from the date of the final determination of this action. The Notice further advised Respondent that the proposal to debar him was in accordance with the procedures set forth in 24 CFR part 24<sup>1</sup>. In addition, the Notice informed Respondent that his proposed debarment was based upon his conviction in the United States District Court for the Middle District of Florida, for violating 18 USC 371 (Conspiracy to Commit an Offense Against the United States). For Respondent's conviction on the one count of the Information to which he pleaded guilty, Respondent was sentenced to an eighteen-month term of imprisonment and ordered to pay restitution of \$199,900.00, and placed on supervised release for three years.

A telephonic hearing on Respondent's proposed debarment was held in Washington, D.C. on July 09, 2008, before the Debarring Official's Designee, Mortimer F. Coward. Respondent was not represented by counsel and participated by phone at the hearing. Stanley Field, Esq. appeared on behalf of HUD.

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<sup>1</sup> HUD published a final rule on December 27, 2007(72 FR 73484) that relocated and recodified 24 CFR part 24 as 2 CFR part 2424. HUD's December 27, 2007, rule stated that the rule "adopts, by reference, the baseline provisions of 2 CFR 180 "the government-wide rule published by OMB on August 31, 2005 (70 FR 51863) setting forth guidance for agencies with respect to nonprocurement debarment and suspension. However, because this matter arose before publication of HUD's final rule, for the convenience of the reader, references herein will be to the regulations in their former location at 24 CFR part 24.

## Summary

I have decided, pursuant to 2 CFR part 180, to debar Respondent from future participation in procurement and nonprocurement transactions, as a participant, principal, or contractor with HUD and throughout the Executive Branch of the Federal Government, for a period of three years from the date of this determination. My decision is based on the administrative record in this matter, which includes the following information:

- (1) The Notice of Proposed Debarment dated December 10, 2007.
- (2) An information filed in the United States District Court, Middle District of Florida, charging Respondent with one of Conspiracy to Commit an Offense Against the United States.
- (3) A plea agreement entered into by Respondent, dated March 8, 2005.
- (4) The Judgment in a Criminal Case filed January 26, 2006, finding Respondent guilty of one count of Conspiracy to Commit an Offense Against the United States.
- (5) A letter dated February 19, 2008, to the Debarring Official's Designee from Respondent.
- (6) The Department's Pre-Hearing Brief in Support of a Three-Year Debarment of the Respondent filed April 21, 2008 (including all attachments and exhibits thereto).

## Government Counsel's Arguments

Government counsel states that Respondent, in his plea agreement, admitted certain facts with respect to the conspiracy described in the Information brought against him. In brief, Respondent admitted that he conspired with others to defraud certain lending institutions in a scheme that began in January 2000 and continued through July 2002. The scheme involved Respondent, who was a loan officer, and his coconspirators submitting false and fictitious representations in loan applications and other documents to create the appearance that the coconspirators were creditworthy. Based on the fraudulent information submitted, the conspirators obtained mortgage loans from lending institutions. The loans were far in excess of the amounts that the institutions would have advanced had the true facts been known. The conspirators used a nominee to purchase properties and act as a borrower to obtain the mortgage loans for the properties. One of these properties was covered by an FHA-insured loan.

Counsel argues that Respondent's fraudulent scheme of purchasing and refinancing properties using conventional and FHA-insured mortgage loans means that he was, and may reasonably be expected to be, a participant in HUD nonprocurement covered transactions and is, therefore, subject to the debarment regulations. Counsel adds that Respondent's misconduct is cause for his debarment under 2 CFR 180.800(a)(1). Further, Respondent's wrongdoing indicates a lack of business integrity and honesty that seriously affects his present responsibility, thus providing a cause for debarment under 2 CFR 180.800(a)(4).

Government counsel argues that Respondent's violations were serious and numerous and that "this type of criminal activity can have a profound effect on the viability of HUD/FHA insurance programs." Counsel argues that debarment of Respondent is in the public interest, and that based on similar cases decided by the Department, a significant debarment is warranted. Counsel also points out that Respondent did not contest his proposed debarment, and that making Respondent's debarment retroactive to his date of sentencing was "not a wise cause to take." Counsel adds that when Respondent is no longer on probation, he can prove himself to be trustworthy.

Accordingly, counsel concludes that Respondent's conduct demonstrates a lack of present responsibility, thus justifying a three-year debarment.

### Respondent's Arguments

Respondent admits his wrongdoing as charged and takes full responsibility for his actions and regrets his misconduct. Respondent testified that at the time he engaged in the illegal conduct to which he pleaded guilty, he was a drug addict, and his "mind was clouded." Respondent further testified that his incarceration is the best thing that ever happened to him and he has changed his life and is now taking substance abuse classes. Respondent added that he now lives a more positive life and is able to guide others in a more positive fashion so that they follow the rules.

Respondent requests that his debarment be imposed retroactively, beginning from the time of his sentencing in January 2006. Respondent justifies his request on the basis that one of the conditions of his sentence was that he could not engage in collecting financial information from individuals nor in participating in the FHA program.

### Findings of Fact

1. Respondent was employed as a loan officer who participated in the origination of conventional and FHA-insured loans.
2. Respondent engaged in a fraudulent scheme that involved the provision of false documentation that inflated the income and net worth of borrowers to certain lending institutions.
3. The scheme was intended to induce the lending institutions to make mortgage loans to these borrowers that the institutions would not otherwise have made.
4. Respondent, in one instance, sold a home he had recently purchased to one of the conspirators, acting as a nominee purchaser, at a highly inflated price. The coconspirator acted as the purchaser so that Respondent could obtain additional loan proceeds on the property.
5. In reliance on the fraudulent financial information submitted by Respondent and his coconspirators, a lending institution made the loan to purchase the property.
6. Respondent paid the nominee purchaser \$1,000.00 for the coconspirator's part in the scheme.

7. Respondent pleaded guilty to one count of Conspiracy to Commit an Offense Against the United States and was sentenced to eighteen months in prison, three years' supervised release, and ordered to make restitution of \$199,000.00.

### Conclusions

Based on the above Findings of Fact, I have made the following conclusions:

1. Respondent was a participant in a covered transaction as defined in 2 CFR part 180.
2. Respondent's criminal conviction serves as the basis for his debarment.
3. Pursuant to 2 CFR 180.800, a conviction of a criminal offense in connection with obtaining, or attempting to obtain, or performing a public or private agreement or transaction, such as an FHA-insured mortgage loan, is a cause for debarment.
4. Respondent's criminal conduct, i.e., his fraudulent scheme, extended over a period of more than two years.
5. Respondent has not made restitution as ordered by the court.
6. Respondent provided no documentation or evidence of his new role as a teacher of business ethics nor of other activities that could demonstrate he is presently responsible. *See* 2 CFR 180.855.
7. Respondent's acceptance of responsibility and regret for his wrongdoing is a mitigating factor in determining the appropriate period of debarment to be imposed.
8. The duration of Respondent's misconduct and the passage of time since the wrongful acts were committed are factors that have been considered in determining the appropriate period of debarment to be imposed.
9. The seriousness of Respondent's acts and the financial harm caused thereby are factors considered in imposing the period of debarment on Respondent. *See* 2 CFR 180.865.
10. Respondent provided no persuasive evidence why his period of debarment should be retroactively imposed from his date of sentencing.
11. Respondent's actions that led to his criminal conviction raise grave doubts with respect to his business integrity and personal honesty.
12. HUD has a responsibility to protect the public interest and take appropriate measures against participants whose actions may affect the integrity of its programs.
13. HUD cannot effectively discharge its responsibility and duty to the public if participants in its programs or programs that it funds fail to act with honesty and integrity.

### DETERMINATION

Based on the foregoing, including the Findings of Fact, Conclusions, and the administrative record, I have determined, in accordance with 2 CFR 180.870(b)(2)(i) through (b)(2)(iv), to debar Respondent for a period of three years from the date of this

Determination. Respondent's "debarment is effective for covered transactions and contracts that are subject to the Federal Acquisition Regulation (48 CFR chapter 1), throughout the executive branch of the Federal Government unless an agency head or an authorized designee grants an exception."

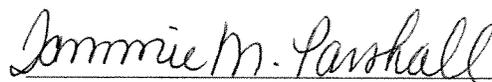
Dated: 8/25/08

Henry S. Czauski

Henry S. Czauski  
Debarring Official

CERTIFICATE OF SERVICE

I hereby certify that on this 27<sup>th</sup> day of August 2008, a true copy of the DEBARRING OFFICIAL'S DETERMINATION was served in the manner indicated.



Tammie M. Parshall  
Debarment Docket Clerk

**HAND-CARRIED**

Mortimer F. Coward, Esq.  
Debarring Official's Designee

Stanley Field, Esq.  
Geoffrey Patton, Esq.  
Government Counsel

**FIRST CLASS MAIL**

Sean Teelucksingh

