

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

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**In the Matter of:**

**STANLEY MOTYKA**

**Respondent**

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**DOCKET NO. 06- 3348-DB**

**DEBARRING OFFICIAL'S DETERMINATION**

By Notice dated March 20, 2006 ("Notice"), Stanley Motyka ("Respondent") was notified of his proposed three-year debarment by the U.S. Department of Housing and Urban Development ("HUD"). A hearing in this matter was held on August 30, 2006 ("Hearing"). Mier Wolf, Debarment Official's Designee, presided at the Hearing.

I have decided, pursuant to 24 C.F.R. Part 24, to debar Respondent from future participation in procurement and non-procurement transactions, as a participant, principal, or contractor with HUD and throughout the Executive Branch of the Federal Government, for a period of two years from May 16, 2005, the date that Respondent was suspended from participation in Federal Programs.

My decision is based on the administrative record in this matter, which includes the following information:

- (1) The Notice, dated March 20, 2006,
- (2) The appeal to the proposed debarment, filed by Respondent on April 19, 2006,
- (3) The Government's Brief and Exhibits In Support Of A Three Year Debarment, dated July 31, 2006,
- (4) Respondent's submission dated August 8, 2006, and
- (5) The tape recording of the August 30, 2006 hearing.

The proposed three-year debarment was based upon a criminal conviction of Respondent in U.S. District Court for Northern District of Ohio, Eastern Division. The court ruled he knowingly made false statements related to FHA single home purchasers to illegally obtain FHA single-family mortgage insurance for them. He also fraudulently obtained a home equity loan for

himself. The wrongdoing included, but was not limited to, use of false home purchasers employment, income, bank account and gift letter documentation.

Respondent appealed the action taken by HUD, as stated in the Notice. Respondent acknowledges his wrongdoing but claims a three-year debarment for his wrongdoing is excessive given his remorse, cooperation with the U.S. Attorney's Office and his successful employment subsequent to his criminal conviction.

#### Findings of Fact

1. Respondent was a real estate agent during the period he violated HUD regulations and committed crimes that places him under the HUD regulatory definition of a program participant.
2. Respondent was sentenced to 1 day in prison and payment of \$109,000 in restitution for the crimes he committed in his role as a real estate agent in FHA single-family home purchase transactions. The court ruled that he provided false information about the job, income and bank accounts of FHA unqualified home purchasers whom he recruited to participate in the FHA program.
3. The Respondent provided an unusual amount of cooperation to the U.S. Attorney's Office, which in turn contacted HUD to state that they would not have a problem if Respondent's debarment term were reduced.
4. Respondent continues to work for a real estate firm on efforts that do not relate to the FHA program. Respondent has received praise from the firm on his efforts.

#### Conclusions

In view of the above findings of fact, I have made the following conclusions:

1. Respondent participated in the FHA program as a real estate agent and is therefore subject to HUD regulations as defined in 24 C.F.R. § 24.105 and 24 C.F.R. §24.980.
2. Respondent's participation in filing false FHA home purchaser information, including employment verification, income, and bank accounts causes serious questions about his honesty and integrity. I conclude that Respondent's actions were of so serious and compelling a nature that they constitute a basis for his debarment under 24 C.F.R. § 24.800 (a)(1), (3) and (4).
3. The U.S. Attorney's Office in Respondent's criminal case wrote to HUD stating that Respondent's extensive cooperation in this criminal matter caused them to not oppose a shorter duration period than usual for debarment in this case if HUD made that decision.

4. Respondent's successful work efforts outside the FHA program area for a real estate company subsequent to his conviction caused his employer to support a shorter debarment duration than the Government seeks in this matter.

Based on the foregoing findings of fact, conclusions, and the administrative record, I have determined to debar Respondent for a two-year period commencing on May 16, 2005, the date Respondent was originally suspended from participation in Federal Programs.

9/28/06

Date

Margarita Maisonet

Margarita Maisonet

Debarring Official

Departmental Enforcement Center