



U.S. Department of Justice

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December 15, 2015

UNITED STATES SETTLES WITH LEHIGH COUNTY LANDLORD OVER SECTION 8 RENT SUBSIDY PAYMENTS

PHILADELPHIA - The United States Attorney's Office announced today that Bellante Properties, of Lehigh County, PA, and its owners Vincent Fantozzi and Bernard Fantozzi, will pay the government \$19,120 to resolve allegations surrounding federally-funded rental assistance payments it received. According to a civil complaint, Bellante Properties received rent subsidy payments from the Lehigh County Housing Authority while unlawfully requiring a tenant to pay supplemental rental payments disguised as trash removal fees.

The lawsuit was filed by Karen Schware, in the United States District Court for the Eastern District of Pennsylvania, under the whistleblower provisions of the False Claims Act. The False Claims Act allows private citizens to bring civil actions on behalf of the United States and to share in any recovery.

The Section 8 housing assistance program is designed to provide affordable housing to low-income families. According to the government's complaint, between July 2007 and September 2013, Bellante Properties received payments from the Lehigh County Housing Authority under the Section 8 rent assistance program. In addition to receiving federally-funded Section 8 rent assistance payments, and approved rent payments from the tenant, the government alleges that Bellante Properties also unlawfully required the tenant to provide supplemental rent payments that had not been approved by the Lehigh County Housing Authority. The unlawful supplemental payments were disguised as trash removal fees. The parties have agreed to settle the dispute for a payment by the defendants of \$19,120 to the United States. Bellante Properties and its principals, Vincent Fantozzi and Bernard Fantozzi, are also barred for three years from participation in HUD's Section 8 program. As a whistleblower, Schware will receive a share of the settlement proceeds. Bellante Properties will also pay Schware's legal fees.

The settlement was the result of a coordinated effort by the U.S. Attorney's Office for the Eastern District of Pennsylvania and the Department of Housing and Urban Development Office of Inspector General. The case was handled by Assistant U.S. Attorney Joel M. Sweet.

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