



U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

February 24, 2014

MEMORANDUM NO:
2014-CF-1802

Memorandum

TO: Dane M. Narode
Associate General Counsel, Office of Program Enforcement, CACC

//signed//

FROM: Kimberly Randall
Director, Joint Civil Fraud Division, GAW

SUBJECT: Final Action
Tracie Hoker
Real Estate Agent Violated U.S. Department of Housing and Urban Development
Real Estate-Owned Program Requirements

INTRODUCTION

The Office of Inspector General (OIG) investigated allegations that Tracie Hoker, a real estate agent, violated U.S. Department of Housing and Urban Development (HUD) real estate-owned owner occupancy program requirements. The Cincinnati HUD office referred the complaint to HUD OIG.

BACKGROUND

When a HUD home becomes available for sale, the principal method of sale is a competitive sales procedure. The property is publicly advertised for 10 days for sealed bids, with a possibility for an extended listing period. It is usually listed on the Multiple Listing Service and on Internet listing sites maintained by management companies under contract to HUD. Its list price is determined by an independent appraisal. Any real estate broker who is properly registered with HUD may submit a contract for purchase. In accordance with HUD policy, priority is given to owner-occupant purchasers during the initial 10 days of the list period. If the property remains unsold at the conclusion of the 10-day period, there is a review of all bids, including investors, for the highest acceptable bid.

The owner-occupant bidder certifies on form HUD-9548, Sales Contract, that the purchased property will be owner occupied as the primary residence. The form is signed by the bidder, the real estate agent, and a HUD official. The purchaser also certifies on form HUD-9548-D, Addendum to the Sales Contract, that he or she has not purchased a HUD-owned property within the past 24 months and will occupy the property as his or her primary residence for at least 12 months. The real estate broker certifies on form HUD-9548-D that he or she has not knowingly submitted the HUD-9548, Sales Contract, for the property on behalf of an investor purchaser. The broker further certifies that he or she has discussed the penalties for false certification with the purchaser(s).

RESULTS OF INVESTIGATION

Our investigation revealed that a bidder, using Ms. Tracie Hoker as his real estate agent, made a false statement in 2012 to purchase a HUD-owned single-family home in Dayton, OH, by submitting a bid as an owner-occupant when he did not intend to reside in the home as his primary residence. The bidder recently settled with HUD by admitting that he made a false statement. The investigation also revealed that Ms. Hoker caused the submission of a second false statement by inducing the real estate broker to certify that he was submitting the bid on behalf of an owner-occupant and not an investor. Tracie Hoker knew at the time of submission of the sales contract that the bidder did not intend to reside in the property as his principal residence.

On July 24, 2013, we issued a referral to HUD's Office of General Counsel, recommending that HUD pursue an action under the Program Fraud Civil Remedies Act, 31 U.S.C. (United States Code) 3801-3812. To resolve the matter, HUD accepted a settlement agreement from Ms. Hoker on November 15, 2013, in which Ms. Hoker admitted that she knew that the bidder did not intend to occupy the property. She paid \$5,000 to HUD to resolve the matter.

RECOMMENDATION

We recommend that HUD's Office of General Counsel, Office of Program Enforcement,

- 1A. Agree to allow HUD OIG to post \$5,000 to HUD's Audit Resolution and Corrective Actions Tracking System.