



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

February 24, 2014

**MEMORANDUM NO:**  
2014-CF-1803

*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  
Thomas Bechtel  
Real Estate Broker Violated U.S. Department of Housing and Urban  
Development Real Estate-Owned Program Requirements

**INTRODUCTION**

The Office of Inspector General (OIG) investigated allegations that Thomas Bechtel, a real estate broker, 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 form 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 Thomas Bechtel as his real estate broker, made a false statement when the bidder purchased a HUD-owned single-family home in Dayton, OH. The bidder submitted a bid as an owner-occupant when he did not intend to reside in the home as his primary residence. Mr. Bechtel submitted a false statement by certifying that he was submitting the bid on behalf of an owner-occupant and not an investor. The bidder's sales agent, who worked under Mr. Bechtel's supervision, knew the bidder did not intend to reside in the purchased home as his primary residence and furthered the submission of Mr. Bechtel's false statement to HUD.

The bidder recently settled with HUD and admitted that he made a false statement about occupying the property. The bidder's sales agent also recently settled with HUD and admitted that she knew the bidder did not intend to reside in the purchased home as his primary 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 and to avoid the uncertainty of litigation, HUD accepted a settlement agreement from Mr. Bechtel on January 7, 2014. He paid \$500 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 \$500 to HUD's Audit Resolution and Corrective Actions Tracking System.