

**OIG Fraud Alert: Bulletin on Charging Excess Rent in the Housing
Choice Voucher Program**

AGENCY: Office of the Inspector General, HUD. **ACTION:** Notice.

II. Fraud Information Bulletin: Excess Rent - The Problem : Improperly requiring tenants to pay rent in excess of what is authorized by the applicable HAP contract represents both an actionable offense under the False Claims Act and deplorable behavior directed towards the very persons whom the HCV program was designed to serve. Such an action may qualify as a criminal offense under [18 U.S.C. 287](#), 1343, etc.) OIG will not tolerate such conduct, and rather will cooperate with efforts to bring offending landlords to justice and to remedy their wrongs. **Example:** On July 29, 2005, a Connecticut tenant filed a qui tam complaint, under [31 U.S.C. 3730](#), against her former landlord. See *Coleman v. Hernandez*, 490 F. Supp.2d 278 (D. Conn. 2007). The tenant complained that pursuant to a HAP contract the landlord had agreed to accept \$1,550 per month for the rental of an apartment in Stamford. Of this \$1,550, the tenant was personally responsible for \$20, and HUD via the HA paid the complementary \$1,530. In spite of the explicit prohibition in the HAP contract, however, the landlord required the tenant to pay an "additional rent payment" of \$60 on six separate occasions. In other words, the landlord inappropriately extracted an additional \$360 from the helpless tenant. **Penalty-Pursuant to the False Claims Act, [31 U.S.C. 3729](#) et seq., persons who submit to HUD or a HUD intermediary claims that are false, fictitious or fraudulent are liable for an assessment equal to three times the amount of the claim, plus a penalty of between \$5,500 and \$11,000 per claim. The United States may take the position that the entire amount of its HAP payment, not merely the amount of the excess payment by the tenant, is the claim**

that should be trebled where landlords make false certifications concerning excess rent charged. Additionally, each periodic rent payment constitutes a separate claim; thus, in the Coleman case the court levied a \$33,000 (6 x \$5,500) penalty against the landlord for her \$360 victimization of the tenant. Pertinent Information-If you have pertinent information regarding this bulletin, please contact: Office of Legal Counsel, Office of the Inspector General, Department of Housing and Urban Development, 451 Seventh St., SW., Room 8260, Washington, DC 20410. Dated: July 1, 2008. Kenneth M. Donohue, Inspector General. [FR Doc. E8-15663 Filed 7-9-08; 8:45 am]BILLING CODE 4210-67-P