

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

In the Matter of:

RICHARD MYFORD

Respondent

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DOCKET NO. 06-3360-DB

DEBARRING OFFICIAL'S DETERMINATION

By Notice dated April 7, 2006 ("Notice"), Richard Myford ("Respondent") was notified of his proposed eight-year debarment by the U.S. Department of Housing and Urban Development ("HUD"). A hearing in this matter was held on August 29, 2006 ("Hearing"). Mier Wolf, Debarring Official's Designee, presided at the Hearing. The administrative record in this matter was held open for several months to enable Respondent to provide more information in support of his request to be debarred for less than the eight-year period the Government seeks. Respondent was previously suspended for eighteen months from October 26, 2004, until the April 7, 2006, proposed debarment notice date.

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 five years from the April 7, 2006, the date Respondent was noticed of his proposed debarment. My decision is based on the administrative record in this matter, which includes the following information:

- (1) Respondent's suspension notice dated October 26, 2004,
- (1) The Notice, dated April 7, 2006,
- (2) The appeal to the proposed debarment, filed by Respondent on May 22, 2006,
- (3) The Government's Brief and Exhibits In Support Of An Eight-Year Debarment, dated August 8, 2006,
- (4) Respondent's letter dated August 15, 2006,
- (5) Respondent's written submission dated October 27, 2006, and October 31, 2006 containing character references, and
- (6) The tape recording of the August 28, 2006, telephonic hearing.

The proposed eight-year debarment was based upon a criminal conviction of Respondent, in U.S. District Court for the Eastern District of Pennsylvania for submitting false HUD –I financial statements that among other things misrepresented home purchasers’ income and the source of down payment funds for FHA financed single family housing units. Though Respondent pled guilty to fewer transactions, prosecutors alleged that Respondent was involved in numerous fraudulent transactions. Philip Garland, with whom Respondent was found jointly and severally liable, paid full restitution and multiple claims under the False Claims Act including \$800,000 of claims for which Respondent and Philip Garland were jointly and severally liable.

Respondent appealed the action taken by HUD, as stated in the Notice. Respondent acknowledges his wrongdoing but claims an eight-year debarment for his wrongdoing is excessive given the time that has passed since he participated in the FHA program. He also argues the restitution payments to HUD paid by Philip Garland should reduce the duration of the debarment.

Findings of Fact

1. Respondent was a real estate sales agent who sold FHA single family financed units thereby making the HUD regulatory definition of a program participant apply to him.
2. Respondent was sentenced to 17 months in prison for the crimes he committed related to his fraudulent participation in FHA single-family home purchase transactions. Respondent provided false information on purchasers’ income and the source of their down payments in sales transactions.
3. Philip Garland, the owner of the company where Respondent worked, paid restitution of \$800,000 for claims upon which he and Respondent were jointly and severally liable which included losses to HUD and potential False Claims Act claims.
4. Respondent submitted a number of letters of reference to vouch for his character.

Conclusions

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

1. Respondent participated in the HUD FHA program as a real estate agent in the sale of FHA financed properties as defined in 24 C.F.R. § 24.105 and 24 C.F.R. §24.980.
2. Respondent’s participation in allowing the filing of false FHA information about purchaser information including their income and the source of their down payments 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. Respondent acknowledges his wrongdoing in this matter. Philip Garland paid the \$800,000 of restitution for HUD losses and multiple False Claims Act claims for which he and Respondent were jointly and severally liable.
4. Respondent provides character references to limit the duration of the debarment that speak to his charitable activities, but does not relate to his present business practices. Secondly, Respondent makes assertions he does not substantiate about his agreement to repay loans if they later defaulted.

Based on the foregoing findings of fact, conclusions, and the administrative record, I have determined to debar Respondent for a five-year period commencing on April 7, 2006, the date of notice to Respondents of his proposed debarment and the date of termination of Respondent's suspension from participation in federal programs, which had been in effect for eighteen months.

12.18.06
Date

Margarita Maisonet
Margarita Maisonet
Debarring Official
Departmental Enforcement Center