

**5601 DEBTS DUE TO PROGRAM FRAUD, MISREPRESENTATIONS,  
OR NON-REPORTING OF INFORMATION**

- 5601.1 A participant Family or owner may owe a debt to DCHA for program abuse or non-reporting information to the HCVP, even if the participant Family or owner had no intent to commit fraud. In such cases, the debt is still due and payable to DCHA.
- 5601.2 DCHA may initiate termination proceedings for any Family owing a debt due to program fraud, misrepresentation, or failure to disclose information. Proceedings shall be halted if the Family agrees to enter into a repayment agreement and signs the agreement and all supporting documentation. If the Family refuses to acknowledge the amount owed and sign the repayment agreement and all other supporting documentation, DCHA shall begin or resume termination proceedings.
- 5601.3 When a Family owes a debt to DCHA, DCHA shall offer the Family an opportunity to enter a repayment agreement unless DCHA determines that the debt is due to fraud or repeated program violations.
- 5601.4 When DCHA determines that a debt is owed, DCHA shall send a notice to the Family that includes the following:
- (a) The amount of the debt owed;
  - (b) An explanation for the basis of the debt and how it was calculated;
  - (c) Copies of any supporting documentation (for example, EIV reports); and
  - (d) Instructions on how to provide DCHA with supporting documentation to contest the amount of the debt.
- 5601.5 Except in cases of fraud or repeated program violations, as described above, DCHA shall permit the Family to enter a repayment agreement. DCHA shall provide a copy of the proposed repayment agreement to the Head of Household together with the notice described in § 5601.4. If the Family declines to enter into a repayment agreement, on terms proposed by DCHA or other reasonable terms, DCHA may proceed with termination.
- 5601.6 Where DCHA determines that the Family is not entitled to enter into a repayment agreement because the debt is due to fraud or repeated program violations, DCHA shall provide that information in the notice to the Family described in § 5601.4, including the reasons DCHA believes that a repayment agreement is not warranted, and shall advise the Head of Household of its right to challenge DCHA's decision to terminate assistance pursuant to Chapter 89 of this title of the DCMR.
- 5601.7 If a Participant Family or owner owes a debt as a result of alleged program fraud, DCHA may take one (1) or more of the following actions at its sole discretion:

## District of Columbia Municipal Regulations

- (a) Refer the participant Family to the HUD Inspector General for investigation;
- (b) Refer participant Family to the U.S. Attorney for criminal prosecution;
- (c) Refer the debt to a debt collection agency or DCHA's Office of Attorney General for collection; or
- (d) Terminate the participant Family's assistance with proper prior notice and opportunity for a hearing.

5601.8 Under no circumstances, regardless of the amount of the debt, shall an offset be made against utility allowance payments. DCHA staff shall inform the participant Family that no offset against utility allowances payments may be taken.

5601.9 If DCHA determines that an owner has retained (or obtained) inadvertently or unintentionally Housing Assistance Payments to which the owner is not entitled, DCHA may elect to either:

- (a) Deduct the amounts from future Housing Assistance Payments owed to the owner for any units under contract; or
- (b) Enter into a Repayment Agreement as specified by § 5602.

5601.10 If future Housing Assistance Payments are insufficient to reclaim the amounts owed, DCHA will, at its option and full discretion, pursue one (1) or more of the following collection activities:

- (a) Require the owner to pay the amount in full;
- (b) Enter into a Repayment Agreement for the amount owed;
- (c) Pursue collections through the local court system;
- (a) Terminate the HAP contract;
- (b) Restrict or deny the owner from future participation in the HCVP program; or
- (c) Any other programmatic or legal action as identified in § 5601.7 above.

SOURCE: Final Rulemaking published at 59 DCR 7935 (June 29, 2012).