

UNITED STATES OF AMERICA  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF HEARINGS AND APPEALS

UNITED STATES DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT,

Petitioner,

v.

WEDGEWOOD PROPERTY MANAGEMENT &  
CONSULTING LLC, SHEILA AUSTIN, &  
CHANTALE WILLIAMS,

Respondents.

22-AF-0109-PF-004

April 28, 2022

**ORDER DISMISSING RESPONDENTS WEDGEWOOD AND AUSTIN AND  
GRANTING DEFAULT JUDGMENT AGAINST RESPONDENT WILLIAMS**

This matter is before the Court upon a *Complaint* filed on February 2, 2022, by the U.S. Department of Housing and Urban Development (“HUD”) against Wedgewood Property Management & Consulting LLC (“Wedgewood”), Sheila Austin (“Austin”), and Chantale Williams (“Williams”) (collectively, “Respondents”) pursuant to 31 U.S.C. §§ 3801, *et seq.*, as implemented by 24 C.F.R. part 28. The *Complaint* sought \$52,500 in civil money penalties and \$17,110 in assessments, for a total of \$69,610, to be imposed jointly and severally upon Respondents.<sup>1</sup> The *Complaint* notified Respondents of the right to request a hearing by submitting a response to the *Complaint* within 30 days of receiving it in accordance with 24 C.F.R. § 28.30. The *Complaint* also warned Respondents that failure to submit a response within 30 days may result in HUD moving for default judgment under 24 C.F.R. § 26.41(c).

On April 4, 2022, HUD moved to (1) dismiss Respondents Wedgewood and Austin with prejudice pursuant to a settlement agreement, and (2) enter default judgment against Respondent Williams due to her failure to file an answer to the *Complaint*. The Court ordered Respondent Williams to show cause by April 25, 2022 why the pending motions should not be granted. Respondent Williams has not responded or otherwise appeared in this matter.

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<sup>1</sup> The *Complaint* included 15 counts, with Counts 1 through 6 only involving Respondents Wedgewood and Austin. HUD sought \$21,000 in civil penalties and \$5,448 in assessments for the violations alleged in those Counts. Counts 7 through 15 involved all three Respondents, and HUD sought \$31,500 in civil penalties and \$11,662 in assessments for the violations alleged in those Counts.

## LEGAL FRAMEWORK

Under 24 C.F.R. § 28.30(a), Respondent Williams' answer to the *Complaint* was due no later than thirty days following service thereof. When a respondent fails to answer a complaint, HUD may move for default judgment under 24 C.F.R. § 26.41(a). See 24 C.F.R. § 28.30(b). A default constitutes "an admission of all facts alleged in the Government's complaint and a waiver of respondent's right to a hearing on such allegations." Id. § 26.41(c). In the event of default, the penalty proposed in the complaint "shall be immediately due and payable by respondent without further proceedings." Id.

## FINDINGS OF FACT

1. HUD filed the *Complaint* against Respondents on February 1, 2022.
2. HUD served the *Complaint* on Respondent Williams by personal service on February 10, 2022.
3. Respondent Williams did not file an answer by March 14, 2022, the final date by which HUD regulations required her to file an answer. See 24 C.F.R. § 28.30(a).
4. To date, Respondent Williams has not requested a hearing or responded to HUD's *Complaint*.
5. Respondents Wedgewood and Austin have separately entered into a settlement agreement related to the *Complaint* and agreed to pay HUD the amount of \$12,175.
6. Respondent Williams has not filed any response to the pending *Motion to Dismiss* and *Motion for Default Judgment*.
7. Respondent Williams has failed to defend this action.

## CONCLUSIONS OF LAW

HUD moves the Court to dismiss this matter with prejudice with respect to Respondents Wedgewood and Austin on grounds that HUD has reached a settlement with those two Respondents. A copy of the fully executed settlement agreement is appended to the *Motion to Dismiss*. HUD's *Motion to Dismiss* is hereby **GRANTED** and this matter is **DISMISSED** with prejudice as to Respondent Wedgewood and Respondent Austin.

The remaining Respondent, Respondent Williams, is now in default due to her failure to timely respond to the *Complaint*. See 24 C.F.R. §§ 28.30(b) and 26.41. Because she has not timely responded to the *Complaint*, Respondent Williams is deemed to have admitted all the facts alleged therein, which are hereby incorporated into this Order by reference; further, upon entry of this Order, the penalties proposed against her shall be immediately due and payable without further proceedings. See id. § 26.41(c).

By reason of the facts in the *Complaint* deemed admitted by Respondent Williams, Respondent Williams knowingly caused to be made nine false and fraudulent claims for federal

Housing Assistance Payments. The *Complaint* proposed that Respondent Williams be held liable for civil penalties in the amount of \$31,500 and an assessment in the amount of \$11,662 pursuant to 31 U.S.C. § 3802. However, in the *Motion for Default Judgment*, HUD now asks the Court to hold Respondent liable for just \$35,612.96 in penalties and assessments. This figure amounts to 82.51% of the originally requested relief, a reduction which is intended to account for the fact that the other two Respondents were held liable, in settlement, for 17.49% of the relief originally requested from them. Accordingly, after accounting for the settlement payment agreed to by Respondents Wedgewood and Austin, this Court finds Respondent Williams liable for \$35,612.96.

For the foregoing reasons, it is hereby **ORDERED** that:

1. HUD's *Motion for Default Judgment* is **GRANTED** and Respondent Williams is hereby found in **DEFAULT**.
2. Respondent Williams is liable under 31 U.S.C. §§ 3801, *et seq.*, for knowingly causing to be made nine false and fraudulent claims.
3. Respondent Williams shall pay to HUD civil penalties and assessments totaling \$35,612.96. Such amount is due and payable immediately without further proceedings. 24 C.F.R. § 26.41(c).

Pursuant to 24 C.F.R. § 26.41(b), this order constitutes the final agency action in this matter.

So **ORDERED**,

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Alexander Fernández-Pons  
Administrative Law Judge

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **ORDER DISMISSING RESPONDENTS WEDGEWOOD AND AUSTIN AND GRANTING DEFAULT JUDGMENT AGAINST RESPONDENT WILLIAMS**, issued by Alexander Fernández-Pons, Administrative Law Judge, HUDOHA 22-AF-0109-PF-004, were sent to the following parties on this 29th day of April 2022, in the manner indicated:



Cinthia Matos, Docket Clerk  
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