

South Carolina State Housing Finance and Development Authority Debarment and Program Suspension Policy

The following Debarment and Program Suspension Policy is intended to apply in all cases unless a specific program has its own debarment or suspension language. In such cases, the program's specific requirements supersede this policy. Any Federal or State policies that may be more restrictive will take precedence over this policy.

The South Carolina State Housing Finance and Development Authority ("Authority") recognizes two levels of infractions in which an individual or organization may be debarred or suspended from participation with one or all Authority programs. Flagged infractions are temporary suspensions due to errors or omissions that may be corrected by the individual or organization within a timely manner. Status infractions are suspensions or debarments due to repetitive uncorrected flagged infractions or specific actions that are uncorrectable.

The Authority may, at its sole option and discretion, elect to impose suspensions or debarments on individuals either independently or while in the employ of an organization doing business with the Authority. Suspensions or debarments imposed upon individuals may be imposed either in conjunction with, in lieu of, or independently of suspensions imposed on organizations. Individuals that are suspended or debarred are prohibited from participating in any manner with Authority programs.

1. Flagged Infractions

If an individual or organization has a payment due to the Authority that is 90 days or more past due, fails to perform or meet program deadlines, or fails to correct audit reports during the correction period, the individual and/or organization may be suspended from participation with all Authority programs immediately. Upon correcting the issue, the individual and/or organization will be allowed to participate in Authority programs 30 days after the correction. If an individual or organization receives a suspension for a flagged infraction 3 times for the same or similar infractions, the Authority may, in its sole discretion, impose a suspension or debarment ranging from 1 year to permanent.

2. Status Infractions

Status infractions may include, but are not limited to, misappropriation of funds, ineligible use of funds, fraud, misrepresentation, permanent noncompliance, falsification of program documentation, nonperformance, and repetitive uncorrected flagged infractions.

If an individual or organization is debarred from any Federal or State Government program, the same may be immediately debarred for the same time period from all Authority programs.

Individuals and organizations may be immediately suspended upon indictment for fraud in the exercise of activities pertaining to Authority programs. If the individuals and/or organizations are convicted of fraud in the exercise of activities pertaining to Authority programs, the individual and/or organization is immediately and permanently debarred.

Status infractions resulting from repetitive uncorrected flagged infractions are discussed under flagged infractions. (See above.)

Status infractions will result in suspensions or debarments ranging from 30 days to permanent debarment and may cover only the program area in which the infraction occurred or may be applicable to all Authority programs. The Authority, in its sole discretion, will determine the severity of the infraction and the appropriate penalty. If an individual and/or organization is suspended 3 times due to a status infraction, the individual and/or organization may be permanently debarred from all Authority programs.

3. Procedure and Appeals

The Authority maintains sole discretion in determining whether to suspend or debar individuals or organizations. The Authority maintains sole discretion in determining what evidence is admissible in determining whether to suspend or debar.

a. Procedure for all Suspensions Up to Permanent Debarment and Appeals

Once staff determines that an infraction has occurred, staff notifies the Program's Director of the reasons for the infraction and submits relevant documentation. After review and agreement by the Program Director, the Program Director submits the information to the Deputy Director for Programs for review. After review and agreement by the Deputy Director for Programs, the information is submitted to the Authority's Legal Division for final review and placement of the individual and/or organization's name on the Authority's suspension list. The Authority's Legal Division will send a letter advising the individual and/or organization of the suspension, the reason for the suspension, the term of the suspension, and the appeals process. An individual and/or organization may appeal a suspension or debarment by submitting documentation for review by a committee of three to consist of three of the following: Deputy Director for Administration, Deputy Director for Programs, Director of Finance, Internal Auditor, and General Counsel. This committee will determine whether the suspension or debarment remains in place, is reversed or modified. If the committee determines the suspension or debarment remains in place or is modified, the committee will submit its decision to the Executive Director for approval. Upon the Executive Director's

approval, the Authority's Legal Division will send a letter advising of the decision of the committee.

b. Procedure for Permanent Debarment

Once staff determines that an infraction has occurred, staff notifies the Program's Director of the reasons for the infraction and submits relevant documentation. After review and agreement by the Program Director, the Program Director submits the information to the Deputy Director for Programs for review. After review and agreement by the Deputy Director for Programs, the information is submitted to the Authority's Legal Division for review. Upon agreement of all three, the request for permanent debarment is submitted to the Executive Director. Upon the Executive Director's approval, the Legal Division will send a letter advising the individual and/or organization of the Authority's intent to permanently debar the individual and/or organization from participation with all Authority programs and the reason for the debarment. The individual and/or organization will be given 30 days to respond to the Authority with any documentation or evidence showing why the Authority should not permanently debar the individual and/or organization. Upon the expiration of the 30 days, if no response has been received, the individual and/or organization will be permanently debarred. If a response has been received, a committee of three to consist of three of the following: the Executive Director, Deputy Director for Administration, Deputy Director for Programs, Director of Finance, Internal Auditor, and General Counsel will review the information and determine if permanent debarment is still appropriate. If the committee determines permanent debarment is still appropriate, the committee will submit their findings to the Executive Director for presentation to the Board of Commissioners. The individual and/or organization will be notified of time and date of the Board meeting at which such proposal will be presented and may attend the meeting to be able to answer any questions from the Board of Commissioners. If the Board of Commissioners, in their discretion, agree with the findings of the committee, the Legal Division shall immediately place the individual and/or organization on the suspension list. If the Board of Commissioners, in their discretion, disagrees with the findings, the Board may suspend the individual and/or organization from a specific Authority program or all Authority programs for any time period they determine, in their discretion, to be appropriate or grant the individual and/or organization immediate full access to Authority programs. The individual and/or organization will be notified in writing of the final decision.

Adopted June 23, 2009