

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

In the Matter of:

VINCENT MACHADO aka VINCENT
ARCELAY,

Respondent.

25-AF-0371-DB-005

April 17, 2026

**RECOMMENDED DECISION AND ORDER GRANTING GOVERNMENT’S
MOTION FOR JUDGMENT ON THE PLEADINGS**

This matter is before the Court pursuant to a referral, from the Debarring Official for the United States Department of Housing and Urban Development (“HUD” or the “Government”), requesting a Recommended Decision regarding HUD’s proposed debarment of Vincent Machado aka Vincent Arcelay (“Respondent”) from procurement and nonprocurement transactions. The proposed debarment is based on Respondent’s conviction in the United States District Court for the Southern District of New York for soliciting and receiving bribes from contractors seeking no-bid micro purchase contracts for HUD funded projects.

This Recommended Decision under 2 C.F.R. Parts 180 and 2424 recommends Respondent’s debarment for a three-year period based upon Respondent’s conviction and finds such action is necessary to protect the public interest.

PROCEDURAL HISTORY

On April 9, 2025, HUD issued the *Notice of Proposed Debarment and Termination of Existing Suspension*.¹ Respondent submitted a *Request for Hearing* (“Request”) on May 8, 2025, to HUD that included a copy of his sentencing submission with numerous character statements from his family and friends, employment history, and adolescent medical records.

On May 15, 2025, the Debarring Official referred this debarment proceeding to this Court for a *de novo* hearing in accordance with 2 C.F.R. § 180.845(c), and for a recommended decision. The referral was docketed, and the matter was scheduled for hearing in accordance with 2 C.F.R. § 180.840. The Court ordered Respondent to file an Answer, on or before June 9, 2025, that includes an admission or denial of each allegation in the *Notice*. However, Respondent did not file an Answer.

HUD timely filed the *Government’s Motion for Judgment on the Pleadings*

¹ The *Notice* serves as the Complaint in this matter. See 24 C.F.R. § 26.13.

(“Government’s Motion”) pursuant to 24 C.F.R. § 26.16(a) on July 28, 2025. The same day, Respondent replied to the *Government’s Motion* via email stating that no one reached out to him to address his concerns as requested, he cannot afford an attorney to advocate on his behalf, the *Government’s Motion* should be denied for including factually incorrect information, and mitigating factors exist that may affect the debarment.

Pursuant to 24 C.F.R. § 26.16(c), Respondent’s response to the *Government’s Motion* was due within 10 days of receipt. However, Respondent did not file a response resulting in the Court issuing an *Order to Show Cause and Stay* on August 7, 2025. This *Order* afforded Respondent a final opportunity to file a response to the claims set forth in the *Government’s Motion*, an Answer to the *Complaint*, and an opportunity to obtain representation. To date, Respondent has not complied with any of the Court’s *Orders*.²

LEGAL FRAMEWORK

Debarment Proceedings. Debarment protects the public interest and the integrity of Federal programs by ensuring the Federal Government is conducting business only with responsible persons. See 2 C.F.R. § 180.125. Debarment is not punishment. Rather, it is an enforcement tool to address serious non-compliance. Id.

The Federal Government is empowered to debar a person who has been or is expected to be a participant or principal in a covered transaction when that person has been convicted of an offense listed in 2 C.F.R. § 180.800(a). See 2 C.F.R. §§ 180.150, 180.800. A covered transaction is defined broadly to mean “any transaction, regardless of type (except procurement contracts).” 2 C.F.R. § 180.970. A participant is defined as “any person who submits a proposal for or who enters into a covered transaction, including an agent or representative of a participant.” 2 C.F.R. § 180.980.

A person may be debarred from participating in programs when there is a conviction for the “commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, violating Federal criminal tax laws, receiving stolen property, making false claims, or obstruction of justice.” 2 C.F.R. § 180.800(a)(3). A conviction includes any “judgment or any determination of guilt of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or plea.” 2 C.F.R. § 180.920(a).

Debarment proceedings are fact-finding proceedings conducted pursuant to 24 C.F.R. Part 26 subpart A. See 2 C.F.R. §§ 2424.842, 2424.952; 24 C.F.R. § 26.1. However, a conviction constitutes adequate evidence for purposes of debarment actions, and a respondent is not entitled to an additional opportunity to fact-finding where the debarment is based on a conviction. See 2 C.F.R. §§ 180.850(b), 180.830(a)(1).

Judgment on the Pleadings. Pursuant to 24 C.F.R. § 26.16(a), this Court is authorized to rule on motions and other procedural matters. See 24 C.F.R. § 26.2(c)(7). After the pleadings

² While this matter was pending, a lapse in appropriations occurred that resulted in a federal government shutdown and the closure of this Court and furlough of all its judges and employees for approximately six weeks. Although the Court has reopened, the government shutdown, which was the longest in history and was followed by a second, shorter shutdown in February 2026, has caused a significant backlog that is being addressed.

are closed, but early enough not to delay trial, a party may move for judgment on the pleadings. Fed. R. Civ. P. 12(c).³

Judgment on the pleadings is “appropriately granted when, at the close of the pleadings, no material issue of fact remains to be resolved, and the movant is clearly entitled to judgment as a matter of law.” Ams. for Fair Treatment v. U.S. Postal Serv., 663 F. Supp. 3d 39, 49-50 (D.D.C. 2023) (quoting McNamara v. Picken, 866 F.Supp.2d 10, 14 (D.D.C. 2012)). A “genuine” issue exists when “the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986). Additionally, a fact is not “material” unless it affects the outcome of the suit. Id.

A motion for judgment on the pleadings is analyzed under the same standards that apply to a motion for summary judgment. Zimmerman v. Corbett, 873 F.3d 414, 417 (3d Cir. 2017). The Court “accept[s] as true all allegations in plaintiff’s complaint as well as all reasonable inferences that can be drawn from them, and construes them in a light most favorable to the non-movant.” Tatis v. Allied Interstate, LLC, 882 F.3d 422, 426 (3d Cir. 2018) (quoting Sheridan v. NGK Metals Corp., 609 F.3d 239, 262 (3d Cir. 2010)).

HUD, as the moving party, bears the burden of demonstrating the absence of any material issues of fact. See Anderson, 477 U.S. at 256. Here, “[a] tribunal may consider the facts alleged in the complaint, documents attached to the complaint as exhibits or incorporated by reference, and matters about which the tribunal may take judicial notice” to resolve a motion for judgment on the pleadings. See United States v. All Assets Held at Bank Julius, 251 F.Supp.3d 82, 89 (D.D.C. 2017) (citations omitted).

This Court has considered all factual issues raised by the parties and finds the material facts are not genuinely in dispute.

FACTS NOT IN DISPUTE

Respondent was employed as a superintendent by the New York City Housing Authority (“NYCHA”), a public housing authority that provides housing to low- and moderate-income individuals, from 2018 through 2023. In his role as superintendent, Respondent, as an agent of NYCHA, which received benefits in excess of \$10,000 under a federal program with HUD, solicited and accepted bribes in exchange for contracts. Specifically, Respondent solicited and accepted approximately \$17,000 in bribes in exchange for arranging for certain contractors to receive no-bid contracts from NYCHA worth a total of at least \$170,000.

On April 4, 2024, Respondent was charged with Receipt and Solicitation of a Bribe by Agent of Organization Receiving Federal Funds under 18 U.S.C. § 666(a)(1)(B). Respondent pleaded guilty on the same day. On September 24, 2024, the U.S. District Court for the Southern District of New York entered a judgment sentencing Respondent to imprisonment for one year and one day and supervised release for three years. Respondent was also ordered to pay an assessment in the amount of \$100 and restitution in the amount of \$17,000.

³ The procedural rules in 24 C.F.R. Part 26 do not set forth a standard for the granting of a motion for judgment on the pleadings, so the FRCP and case law interpreting the rules provide guidance. See In re Nationwide Home Loans, Inc., HUDOHA 23-AF-0071- MR-004, p.5 (June 7, 2023) (citing Salvador Alvarez, HUDALJ 04-025-PF, p.4 (June 23, 2005)).

DISCUSSION

HUD moves for a recommended judgment on the pleadings on the basis that there are no material facts in dispute and Respondent is not entitled to a fact-finding hearing. Specifically, HUD claims there is no genuine dispute that Respondent was charged with, pleaded guilty to, and was convicted of Receipt and Solicitation of a Bribe by Agent of Organization Receiving Federal Funds in the U.S. District Court for the Southern District of New York. HUD further claims that Respondent is subject to government-wide debarment because Respondent's conviction for bribery is expressly identified in the debarment regulations as grounds for exclusion from federal programs. See 2 C.F.R. § 180.800(a)(3).

This Court, for the reasons discussed below, finds that HUD has shown by a preponderance of evidence that debarment is warranted under the circumstances.

I. Respondent is Subject to HUD's Debarment Regulations.

HUD claims debarment is necessary because Respondent is a participant in a covered transaction and therefore is subject to HUD's debarment regulations. HUD is empowered to debar a person who has been or is expected to be a participant or principal in a covered transaction when that person has been convicted of an offense. See 2 C.F.R. §§ 180.150, 180.800. A participant is defined as "any person who submits a proposal for or who enters into a covered transaction, including an agent or representative of a participant." 2 C.F.R. § 180.980. Additionally, a covered transaction may include "any transaction, regardless of type (except procurement contracts)." 2 C.F.R. § 180.970.

Respondent, as a superintendent at a federally funded housing authority, exercised oversight of HUD-funded activities, including the selection of contractors and approval of maintenance work. Respondent participated in functions involving the administration of federal grant funds and payments for specified uses which fall within the scope of a covered nonprocurement transaction. Respondent also asserted that he has worked with NYCHA for his entire professional career, so he is only familiar with public housing. As a participant in a covered transaction, Respondent is subject to HUD's debarment regulations.

II. Respondent was Convicted of Solicitation and Receipt of a Bribe.

HUD claims debarment is warranted because of Respondent's criminal conviction. Federal regulations provide that a conviction or civil judgment for bribery can be a cause for debarment. 2 C.F.R. § 180.800(a). The burden is on HUD to prove debarment is warranted. 2 C.F.R. § 180.855(a). But, when the proposed debarment is based upon a conviction, the standard of proof is met, and respondent is not entitled to an additional opportunity to challenge the facts. 2 C.F.R. §§ 180.830(a)(1), 180.850(b).

Respondent was charged with, pleaded guilty to, and was convicted of solicitation and receipt of a bribe. Pursuant to a plea agreement, Respondent pleaded guilty to bribery and consented to the forfeiture of \$17,000 which represents proceeds traceable to the commission of bribery. The offense is serious and warrants debarment under 2 C.F.R. § 180.800(a). The conviction alone is adequate evidence to warrant debarment and Respondent is not entitled to an opportunity to challenge the facts. Accordingly, the Court finds HUD has met its burden to

prove that debarment is warranted because Respondent's proposed debarment is based on a conviction for bribery and Respondent is not entitled to fact-finding.

III. A Three-Year Debarment is Necessary to Protect the Public Interest.

Having concluded that HUD has met its burden, the Court considers whether to recommend Respondent's debarment and, if so, the appropriate period of the debarment. HUD claims debarment is necessary because Respondent abused his employment position for personal gain, undermined the integrity of NYCHA's procurement process, and harmed HUD's programs and the residents HUD serves. HUD also expresses that Respondent's conduct reflects a clear abuse of trust and authority, thus justifying his exclusion from future participation in federally funded programs because allowing Respondent to continue to participate in federal programs would pose a clear threat to HUD and the public.

Debarment is a serious sanction that should only be utilized for the purposes of protecting the public interest and may not be used as punishment. See 2 C.F.R. § 180.125(c). In determining whether debarment is an appropriate sanction, "[t]he debarring official bases the decision on all information contained in the official record. The record includes . . . [a]ny further information and argument presented in support of, or in opposition to, the proposed debarment" 2 C.F.R. § 180.845(b). The debarring official may also consider mitigating factors and aggravating factors when determining whether to debar an individual and the length of any debarment period imposed. See 2 C.F.R. § 180.860.⁴

In this particular case, Respondent addressed four mitigating factors in his *Request* while HUD addressed five aggravating factors in the *Government's Motion*. The following factors are important to taken into consideration.

- (1) The actual or potential harm or impact that results or may result from the wrongdoing (2 C.F.R. § 180.860(a))

HUD asserts that Respondent's actions undermined the integrity of the public housing program and potentially risked the safety of the residents of the housing developments because contractors were awarded no-bid contracts based on their willingness to participate in Respondent's bribery scheme rather than their expertise in completing the project. HUD further states that the actual and potential harms stemming from Respondent's crimes support a three-year debarment period.

Criminal convictions that relate to "business integrity and honesty pose a clear and immediate threat to the government." See Yoel Movtady, HUDALJ 95-5054-DB(S), at p. 3 (Aug. 21, 1995) (sustaining suspension based on indictment of fraud and false statements to HUD).⁵ Respondent's bribery conviction exhibits dishonesty and carelessness for the people he

⁴ The Debarring Official's referral of this matter to this Court solicits a recommended decision regarding Respondent's proposed debarment. In making such a recommendation, the Court steps into the shoes of the debarring official and considers the factors set forth at 2 C.F.R. § 180.860. See Id. § 180.845(a) (The decision to debar Respondent from future procurement and non-procurement transactions with the Federal Government is within the discretion of the Debarring Official.).

⁵ HUD debarment decisions cited herein are available at <https://www.hud.gov/stat/oha-debarment>.

was employed to serve. Furthermore, the potential harm to residents was immense by not ensuring contracts were awarded to those with proper experience and expertise to complete projects. Respondent's misconduct poses a clear and immediate threat to the government and New York residents. Thus, this factor weighs in favor of a three-year debarment period.

- (2) The frequency and pattern of incidents of wrongdoing or prior history of wrongdoing (2 C.F.R. § 180.860(b), (c))

Respondent states that he has no prior history of criminal activity and intends to henceforth live a crime-free life. On the other hand, HUD contends that Respondent solicited and accepted payments totaling \$17,000 in connection with no-bid contracts worth approximately \$170,000 over a period of four years. HUD also asserts that these payments occurred across dozens of transactions which indicates a sustained pattern of misconduct rather than a one-time lapse in judgment.

While this may be Respondent's first criminal conviction, Respondent engaged in bribery almost the entire time he served as superintendent. In the almost five and a half years that Respondent was superintendent, he solicited and accepted bribes for four years. Therefore, the length and frequency of the misconduct weighs in favor of a three-year debarment period.

- (3) Whether you are or have been excluded or disqualified by an agency of the Federal Government or have not been allowed to participate in State or local contracts or assistance agreements for similar conduct (2 C.F.R. § 180.860(d))

Respondent states that he has not been excluded or disqualified by any agency of the Federal Government and only faces disciplinary action in this matter. HUD did not present any evidence of exclusions or disqualifications by other agencies. Thus, this serves as a mitigating factor.

- (4) Whether and to what extent you planned, initiated, or carried out the wrongdoing (2 C.F.R. § 180.860(f))

HUD claims Respondent intentionally planned, initiated, and carried out the conduct underlying his conviction by soliciting and knowingly accepting numerous bribes to enrich himself. Again, Respondent engaged in bribery over the span of four years. The record demonstrates that he knowingly and willingly solicited and accepted bribes to enrich himself and the extent of the sophisticated deception lasted for years. Overall, this factor weighs in favor of a three-year debarment period.

- (5) Whether you have accepted responsibility for the wrongdoing and recognize the seriousness of the misconduct that led to the cause for debarment (2 C.F.R. § 180.860(g))

Respondent claims that he has accepted responsibility and recognizes the seriousness of his actions by pleading guilty to the information in federal court. Although it appears that Respondent accepted responsibility for his misconduct, it is not evident that Respondent recognizes the seriousness of his wrongdoing to warrant debarment in this matter. Respondent's

arguments against debarment are surface level, and Respondent did not actively participate in this matter. Therefore, this factor is found to be aggravating.

(6) Whether you have paid or agreed to pay all criminal, civil, and administrative liabilities for the improper activity (2 C.F.R. § 180.860(h))

Respondent asserts that he agreed to pay restitution in the amount of \$17,000 and will begin making payments as soon as he starts working. A portion of the plea agreement included the entry of the restitution amount, and it appears that Respondent will pay the required restitution in the future. Although the record does not indicate that restitution has been paid, Respondent's acknowledgement and undisputed intention to pay it is a mitigating factor.

(7) The kind of positions held by the individuals involved in the wrongdoing (2 C.F.R. § 180.860(k))

HUD states that Respondent's position as superintendent afforded him significant authority and discretion over the use of federal funds because his role not only involved oversight of HUD funds, but had a direct impact on the lives of vulnerable public housing residents. HUD also emphasizes that Respondent's abuse of trust in a federally funded position that affects the health, safety, and well-being of low-income tenants further supports the imposition of a three-year debarment.

Respondent's involvement in decision-making and discretion over federal funds is a serious cause for concern and his position allowed him to manipulate the system to his financial advantage. Considering Respondent's senior-level position as superintendent while engaging in bribery, this factor is aggravating and supports a three-year debarment.

(8) Other factors that are appropriate to the circumstances of this particular case (2 C.F.R. § 180.860(t))

Respondent's *Request* was accompanied by a copy of his sentencing submission that was supported by character statements and other documentation. These documents speak about Respondent's character and difficult circumstances in his life that he was able to overcome. However, they relate to Respondent's personal relationships and his character as perceived by family and friends. With the exception of one letter of support, such evidence is not relevant to whether Respondent is presently responsible to conduct business with the Federal Government.

Respondent did, however, produce a letter from Corinne Haynes, the President of the Queensbridge Resident's Association. Ms. Haynes discusses knowing Respondent in his capacity as superintendent, and expounds the positive impact Respondent has had on that community. Considering this evidence, the Court reasonably infers that Respondent's corruption, though serious and potentially harmful to NYCHA's residents, did not significantly impact that specific development. This is, therefore, a mitigating factor. However, it is not particularly persuasive as it only pertains to one of the many developments through which Respondent engaged in the misconduct.

In all, Respondent's conviction is serious and speaks to his character and ability to participate in covered procurement and nonprocurement transactions with HUD. His conduct

was dishonest and involved bribery which resulted in a criminal conviction. As a participant, Respondent's misconduct is a threat to HUD's programs, and the people HUD strives to serve. Such misconduct calls into question the risk of any potential involvement in future transactions with the Federal Government. After consideration of the above factors, the aggravating factors far outweigh the mitigating factors. Respondent's arguments do not diminish the severity of the conviction and do not overcome HUD's rationale for excluding him from government transactions. Therefore, the Court finds that action is necessary to protect the public interest, and a three-year period of debarment is appropriate. See *In re Jackson*, HUDBCA 95-A-106-D5 (June 7, 1995) (affirming debarment that supersedes suspension for respondent who was indicted and convicted of attempted bribe in the third degree); *In re Philip D. Winn, et al.*, HUDBCA 95-G-108-D6, p.4-6 (June 9, 1995) (imposing four-year debarment after respondent pleaded guilty to and was convicted of conspiring to bribe public officials to perform official acts and duties); *In re Joy Harris*, HUDOHA 25-JM-0310-DB-003 (Sept. 11, 2025) (imposing a four-year debarment for the similar misconduct of soliciting and accepting bribes while employed as a superintendent at NYCHA).

CONCLUSION AND ORDER

Based on the foregoing, the *Government's Motion for Recommended Judgment on the Pleadings* will be **GRANTED**.

The Court finds that HUD has met its burden to demonstrate that no genuine issues of material fact exist in this matter. The undisputed material facts demonstrate Respondent, who is subject to federal Debarment Regulations, was charged with, pleaded guilty to, and was convicted of one count of Receipt and Solicitation of a Bribe by Agent of Organization Receiving Federal Funds in the U.S. District Court for the Southern District of New York. Respondent's misconduct is serious and undermines the integrity of HUD's housing assistance programs. Respondent has been an active participant in HUD housing programs, so action is necessary to protect the public interest.

The Court further finds that Respondent has not demonstrated a basis for challenging the established facts in the present proceeding, and Respondent's conviction is adequate evidence that there is cause for debarment without further fact-finding. Upon consideration of the record and various factors, the Court recommends that Respondent's debarment from future procurement and non-procurement transactions with the Federal Government for a three-year period.

This matter is returned to the Debarring Official for further action.

So **ORDERED**,



Sandra W. Gluvna
Administrative Judge