

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Department of Housing and Urban Development (collectively, the “United States”); Mario Bianco; and Tomasa Heiskell (the “Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. Mario Bianco is an individual residing at [REDACTED] Quincy, MA 02169.

B. Bianco owns a three-family home located at [REDACTED] Quincy, MA, 02169. From February 2012 to March 2019, the Relator rented an apartment unit at [REDACTED] (the “Apartment”) from Bianco. During that period, the Relator received federal housing subsidies through the Section 8 Voucher Program (“Section 8”).

C. Section 8 is a federal program that is generally administered by state or local governmental entities known as public housing agencies (“PHAs”). The United States Department of Housing and Urban Development (“HUD”) provides housing assistance funding to PHAs, which the PHAs use to provide subsidies to eligible individuals and families to help ensure access to safe and sanitary housing. 24 C.F.R. § 982.1(a). To pay its portion of the rent, the PHA enters into a Housing Assistance Payment (“HAP”) contract with the apartment unit’s owner, pursuant to which the PHA makes rent subsidy payments to the owner on behalf of the tenant. *Id.* § 982.1(a)(2). The PHA determines the Section 8 tenant’s share of the monthly rent, if any, based on the tenant’s income and payment standards for the rental unit’s size and market area. *Id.* § 982.1(b)(3).

D. In February 2012, Bianco signed a standard HAP contract with the Cambridge Housing Authority (“CHA”), the PHA that administered the Relator’s housing subsidy. At all times during the Relator’s lease, Bianco was required to comply with all provisions of the HAP contract as a condition of receiving housing subsidy payments from CHA on behalf of the Relator. The HAP contract prohibited Bianco from, among other things, receiving any rent in excess of the sum of (i) subsidy payments from the PHA; and (ii) the Relator’s share of rent, if any.

E. On February 1, 2022, the Relator filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States ex rel. Tomasa Heiskell v. Mario Bianco*, No. 22-cv-10166, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). The qui tam alleged that, for the duration of the Relator’s lease, Bianco demanded and received additional (or “side”) rent payments from the Relator in excess of the rent specified in the HAP. The Relator also brought claims for violations of Massachusetts General Laws Chapter 93A, breach of contract, and breach of quiet enjoyment (M.G.L. c.186 §14), as may be amended (“Non-Released Claims”).

F. The United States contends that it has certain civil claims against Bianco for submitting, or causing the submission of, false claims to HUD by receiving monthly federal voucher program subsidy payments while also requiring the Relator to make side payments of rent.

G. Bianco admits, acknowledges, and accepts responsibility for the following facts:

- a. From February 2012 to March 2019, the Relator rented the Apartment from Bianco and received a federal housing subsidy under HUD’s Section 8 Voucher Program.

- b. In February 2012, Bianco signed a HAP contract with HUD, by and through the CHA. Bianco agreed to comply with certain requirements in the HAP contract as a condition of receiving subsidy payments from the CHA each month on behalf of the Relator. The HAP prohibited Bianco from requesting or receiving any rent for the Apartment in excess of the sum of (i) the housing subsidy from the CHA; and (ii) the Relator's share of monthly rent. Notwithstanding these provisions, Bianco demanded and received side payments of rent from the Relator and/or her live-in husband while also receiving Section 8 subsidy payments from the CHA.

The United States' allegations referred to in this Recital G are referred to below as the "Covered Conduct."

H. The Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees, and costs. Bianco denies that Relator is entitled to expenses, attorneys' fees, and costs.

In consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. Bianco agrees to pay the United States the sum of \$15,200 (the "Settlement Amount"), of which \$7,600 is restitution to the United States, and interest on the Settlement Amount at a rate of 4.00% per annum from May 2, 2024, no later than thirty days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney's Office for the District of Massachusetts.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay 20% of the Settlement Amount to the Relator by electronic funds transfer (“Relator’s Share”).

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount plus interest due under Paragraph 1, the United States fully and finally releases Bianco from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon Bianco’s full payment of the Settlement Amount, the Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Bianco from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733, except that Relator, her heirs, successors, attorneys, agents, and assigns shall retain all of her rights pursuant to the False Claims Act to recover from Bianco her reasonable expenses, attorneys’ fees, and costs pursuant to 31 U.S.C. § 3730(d), if any. No agreement concerning reasonable expenses, attorneys’ fees, and costs has been reached to date. Bianco retains and is not releasing his right to contest on any basis any Relator claim to an award of expenses, attorneys’ fees, and costs, and his right to bring claims and/or counterclaims against Relator. The Relator further expressly reserves her right to pursue the Non-Released Claims as set forth in the Civil Action, as may be amended.

5. Notwithstanding the releases given in Paragraphs 3 and 4 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in the Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement; and
- f. Any liability of individuals other than Bianco.

6. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon the Relator's receipt of the payment described in Paragraph 2, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. Bianco waives and shall not assert any defenses he may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the

Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

8. Bianco fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that he has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

9. Bianco fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that he has asserted, could have asserted, or may assert in the future against the Relator, related solely to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) and the Relator's investigation and prosecution thereof. No agreement concerning Relator's reasonable expenses, attorneys' fees, and costs has been reached to date. Bianco retains and is not releasing his right to contest on any basis any Relator claim to an award of expenses, attorneys' fees, and costs, and his right to bring claims and/or counterclaims against Relator

10. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Bianco in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) his investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in

connection with the matters covered by this Agreement (including attorneys' fees);

- (4) the negotiation and performance of this Agreement;
- (5) the payment that Bianco makes to the United States pursuant to this Agreement and any payments that Bianco may make to Relator, including costs and attorneys' fees,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Bianco, and he shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Bianco shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by him or any of his affiliates from the United States. Bianco agrees that the United States, at a minimum, shall be entitled to recoup from him any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously submitted requests for payment. The United States, including the Department of Justice and/or HUD, reserves its rights to audit, examine, or re-examine Bianco's books and records and to disagree with any calculations submitted by him or any of his affiliates regarding any Unallowable Costs included in payments previously sought by him, or the effect of any such Unallowable Costs on the amount of such payments.

11. This Agreement is intended to be for the benefit of the Parties only.

12. Upon receipt of the payment described in Paragraph 1, above, the United States and the Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Federal Rule of Civil Procedure 41(a)(1), with the exception of the Non-Released Claims, while also reserving the Relator's right to pursue reasonable expenses, attorney's fees, and costs for the claims brought under the False Claims Act pursuant to 31 U.S.C. § 3730(d). With respect to the United States, the dismissal shall be with prejudice as to the Covered Conduct and without prejudice as to any other conduct or causes of action.

13. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement. This provision is not intended to affect any right of Relator to seek her expenses, attorneys' fees, and/or costs pursuant to 31 U.S.C. §3730(d), and any right of Bianco to contest on any basis any such Relator claim for expenses, attorneys' fees, and/or costs, and his right to bring claims and/or counterclaims against Relator.

14. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

15. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Massachusetts. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

16. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.



17. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

18. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

19. This Agreement is binding on Bianco's successors, transferees, heirs, and assigns.

20. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.


21. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

22. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date of this Agreement"). Facsimiles and electronic submissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 8/12/2024

BY:

A handwritten signature in cursive script, appearing to read "Diane Seol", written over a horizontal line.

DIANE SEOL

Assistant United States Attorney  
United States Attorney's Office  
District of Massachusetts

DEFENDANT MARIO BIANCO

DATED: 8-13-24

BY: Mario Bianco  
MARIO BIANCO

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
PAYAL SALSBURG  
Counsel for MARIO BIANCO

DEFENDANT MARIO BIANCO

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
MARIO BIANCO

DATED: 8/12/2024 BY: \_\_\_\_\_


Payal Salsburg  
PAYAL SALSBURG  
Counsel for MARIO BIANCO

TOMASA HEISKELL - RELATOR

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
TOMASA HEISKELL

DATED: \_\_\_\_\_

BY:  \_\_\_\_\_  
ED RICE  
Counsel for Relator