

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
THE CHOSEN ONES OUTREACH MINISTRIES	§	TEXAS DEPARTMENT OF HOUSING
OF GALVESTON, INCORPORATED, REVEREND	§	AND COMMUNITY AFFAIRS
EDWARD LAWSON, AND TERESA FINCH	§	
	§	

FINAL ORDER OF DEBARMENT

General Remarks and official action taken:

On this 7th day of May, 2026, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against The Chosen Ones Outreach Ministries of Galveston, Incorporated, a Texas nonprofit corporation (TCOOMG), Reverend Edward Lawson, and Teresa Finch (collectively, the Respondents), for: (1) refusing to repay disallowed costs, a violation of 10 TAC §2.401(a)(2); and (2) providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, a violation of 10 TAC §2.401(a)(5).

This Final Order is executed pursuant to the authority granted in Texas Government Code section 2306.0504, which requires the Board to adopt a policy providing for the debarment of a person from participation in Department programs because of a person's past failure to comply with conditions imposed by the Department in the administration of its programs. A policy was adopted by the Board and is set forth at 10 TAC §2.401.

Upon recommendation of the Executive Director, the Board makes the following findings of fact and conclusions of law and enters this Order:

FINDINGS OF FACT

Jurisdiction:

1. On October 23, 2023, TCOOMG executed HOME Investment Partnerships Program Reservation System Participant Agreement #2023-0014 (RSP Agreement), committing to be a Reservation System Participant in three set-asides: Tenant-Based Rental Assistance (TBRA) Set-Aside #1003534 (Set-Aside 1003534), Single-Family Programs for Persons with Disabilities TBRA Set-Aside #1003535 (Set-Aside #1003535), and Disaster Set-Aside #1003536 ("Set-Aside 1003536").
2. Entities eligible for debarment by the Department include Responsible Parties, Consultants, and Vendors, under 10 TAC §2.401.
3. Respondents are subject to the regulatory authority of the Department and, for purposes of this debarment recommendation, TCOOMG, Reverend Edward Lawson, and Teresa Finch, are collectively considered Responsible Parties, as defined by 10 TAC §2.102.

Violations Subject To Debarment:

1. The Department conducted a compliance monitoring review between June 16-20, 2025. The Department identified findings of noncompliance, and issued a notification of noncompliance setting a corrective action deadline of July 25, 2025, but Respondent failed to submit corrections. Associated costs in the aggregate amount of \$327,850.12 were deemed disallowable for the following findings of noncompliance, and the TDHCA Compliance Division referred TCOOMG for an administrative penalty for failure to repay those disallowed costs. No substantive corrective documentation or payments for disallowed costs have been submitted to date.
 - a. Failure to correctly report program activity and support program expenditures, affecting 26 activities; and
 - b. Failure to support program costs drawn for reimbursement, affecting 34 draws.
2. Respondents violated 10 TAC §2.401(a)(2) by failing to repay disallowed costs in the aggregate amount of \$327,850.12, associated with a compliance monitoring review conducted on June 16-20, 2025. Findings included failure to correctly report program activity and support program expenditures, and failure to support program costs drawn for reimbursement. Disallowed costs were due on August 29, 2026.
3. The Department subsequently conducted a program investigation, and identified multiple instances where Respondents violated 10 TAC §2.401(a)(5) by submitting fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department, including drawing HOME TBRA subsidies where:
 - a. 36 tenants were being assisted at a unit other than the approved unit.
 - b. Two of those 36 units also had a conflict of interest; the residents were the sister and mother of a TCOOMG employee that submitted their files, but no conflict of interest documentation was submitted to allow for a HUD-approved exception to the conflict of interest guidelines.
 - c. Four units were verified to not exist.
 - d. Two tenants had already been evicted.
 - e. Two tenants and landlords reported never receiving any subsidy.
 - f. Seven tenants had other disqualifying factors, including misrepresentation of household composition or income.
 - g. Five tenants had moved.
4. All of the above matters remain unresolved to date.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §2306.0504 and 10 TAC §2.401.
2. TDHCA is a designated Participating Jurisdiction within the meaning of 24 C.F.R. Part 92 and has the authority pursuant to Tex. Gov't Code Chapter 2306, Subchapter F, to make a subaward or otherwise contract with eligible organizations to participate in the administration of HOME funds

provided to the State of Texas under the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. Section 12704 et seq).

3. Pursuant to the RSP Agreement, Respondents are required to administer HOME funds in accordance with federal and state requirements, including but not limited to the HOME Investment Partnerships Act of 1990, 42 U.S.C. §§12721-12839; applicable Federal and CPD Notices issued by HUD; implementing regulations at 24 CFR Part 92; Chapter 2306 of the Texas Government Code; the State HOME Rules; the Application and Application Submission Procedures Manual, and the terms of the RSP Agreement.
4. Pursuant to 24 C.F.R. 504(a) and 10 TAC §20.14, TDHCA is required to monitor for noncompliance with all state and federal requirements under the HOME program.
5. TCOOMG, Reverend Edward Lawson, and Teresa Finch are Responsible Parties as defined by 10 TAC §2.102.
6. Respondents violated 10 TAC §2.401(a)(2) by failing to repay disallowed costs in the aggregate amount of \$327,850.12.
7. Respondents violated 10 TAC §2.401(a)(5) by providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department.
8. Pursuant to Tex. Gov't. Code §2306.0504(b), the Department may debar a person from participation in a Department program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of material factors including those set forth in 10 TAC §2.401(j) to be considered for a recommended period of debarment, as applied specifically to the facts and circumstances present in this case, the Board of the TDHCA orders the following:

IT IS HEREBY ORDERED that Respondents are barred from future participation in any capacity for all programs administered by the Department for a **twenty-year term commencing on the date of board approval**. This debarment does not prohibit Respondents from participating in any existing engagements funded through the Department where funds have already been awarded or allocated, nor does it affect any responsibilities or duties thereunder.

IT IS FURTHER ORDERED that the terms of this Final Order shall be published on the TDHCA website.

[signature page to follow]

Approved by the Governing Board of TDHCA on May 7th, 2026.

By: /s/ Leo Vasquez
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: /s/ James "Beau" Eccles
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 7th day of May, 2026, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Nancy Dennis
Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 7th day of May, 2026, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

/s/ Nancy Dennis
Notary Public, State of Texas