



Florida Housing

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Office of Inspector General

Investigative Report

161207-01

April 24, 2017

Chris Hirst, Inspector General

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General
Investigative Report
Case Number 161207-01**

INTRODUCTION

On December 7, 2016, the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) received an email from Katrya Watkins, Hardest Hit Fund (HHF) Advisor, Corporation to Develop Communities of Tampa, Inc. (CDC), regarding Danielle Good, HHF Program applicant. Specifically, Ms. Watkins stated:

I wanted to reach out just as an FYI- we have a client who appears to have created a fraudulent no fault letter. The former employer has confirmed via email reply that he did not write or sign the statement. Applicant has not received any HHF funding; however, we wanted to just inform you of the situation. The file is for UMAP/MLRP [Unemployment Mortgage Assistance Program/Mortgage Loan Reinstatement Payment Program] applicant, Ms. "Danielle Good" File # 139603. The client resides in Polk County. The documents have been uploaded and exported into Counselor Direct.

According to the records, Ms. Good submitted her application for HHF Program funds on December 5, 2016, and reported the primary reason for her hardship and/or loan default as, "unemployed." As part of her application, Ms. Good was required to provide a "no-fault letter"¹ from a previous employer. On December 6, 2016, Ms. Good provided a letter from her former employer, A.J. Slammers, stating she was "relieved of her position. . .due to her pregnancy. . ."According to Ms. Watkins, she contacted the former employer and confirmed that the letter submitted by Ms. Good was a fraudulent document provided in order for her to gain eligibility to HHF Program funds. On December 7, 2016, Ms. Good was deemed ineligible to receive HHF Program funds due to not having an eligible hardship.

The OIG initiated an investigation based on the information provided.

ALLEGATIONS

It is alleged Ms. Good provided falsified documents and made false statements/certifications on her HHF Program application about circumstances surrounding her termination of employment with A.J. Slammers in order to be found eligible to receive payments from HHF Program funds. If supported, these allegations would constitute a violation of federal and/or state laws, including:

- Title 18, United States Code, §1001, False Statements;
- Section 817.03, Florida Statutes (F.S.), Making false statement to obtain property or credit;
- Section 817.545, F.S., Mortgage Fraud; and/or
- Section 837.06, F.S., False Official Statements.

¹ One of the HHF Program eligibility requirements for applicants is for them to provide proof of having a qualifying hardship (unemployment or underemployment) through no fault of their own.

EXECUTIVE SUMMARY

From December 7, 2016 to February 2, 2017, OIG staff conducted interviews and reviewed significant documentation/records related to the allegations. As a result of the investigation, OIG staff determined that the allegation of Ms. Good providing falsified documents and making false statements/certifications on her HHF Program application about circumstances surrounding her termination of employment with A.J. Slammers in order to be found eligible to receive payments from HHF Program funds was **Supported**.

COMPLAINANT INTERVIEW

On December 9, 2016, OIG staff conducted a recorded telephone interview of Ms. Watkins, who was the HHF Advisor working with Ms. Good during her HHF Program application process. Ms. Watkins stated the following (paraphrased):

- Ms. Good was claiming hardship due to unemployment, but she said she was not collecting unemployment compensation benefits.
- Ms. Watkins explained to Ms. Good that under those circumstances, she would need to provide a no-fault letter from her former employer indicating the reason for her separation from employment;
- On December 6, 2016, Ms. Good submitted a letter (Exhibit 1) regarding being laid off from the position.
 - The letter did not appear to be legitimate because Ms. Watkins noticed several grammatical errors.
- Therefore, Ms. Watkins called the employer to verify the authenticity of the letter:
 - The employer, Anthony [Adams], said he has not communicated with Ms. Good after her employment ended.
 - He did not believe he had provided the letter.
 - So, he requested Ms. Watkins email a copy to him.
 - After he reviewed the letter, he told her, 'This is definitely not from me. This is not my signature. This is not our letterhead. This is not what happened.'
 - He also sent an email response (Exhibit 2) to Ms. Watkins confirming it was not an authentic letter.
- When asked by Ms. Watkins, Ms. Good said the employer provided the letter to her.
- Ms. Good said she would probably consider other options to save her home.
- On December 7, 2016, Ms. Watkins sent Ms. Good a letter of ineligibility (Exhibit 3) due to not having a qualifying hardship.

DOCUMENTATION/RECORDS ANALYSIS

HHF Program Application

A review of Ms. Good's HHF Program application (Exhibit 4), shows she signed the application on December 5, 2016. The results of the review are listed below by related documents, which are listed in bold:

- On her **HHF Intake Form**, she reported her hardship as "unemployment"; and
- She signed, certifying the following statement:

By signing below, I/We certify that the information and documentation provided is true and correct to the best of my/our knowledge.

- In her **Hardship Letter** dated December 5, 2016, Ms. Good stated she is unemployed, had not collected unemployment benefits due to not being eligible, and she provided the following explanation about her unemployment:

I was forced to go on maternity leave in March 2016. After a difficult delivery and pregnancy, my position at my job was filled and my job was no longer available. I even offered to work on call/as needed and tried to pick up sidework (sic) at my old job.

Counselor Direct Database

A review of the HHF Program files on the Counselor Direct (CD) database, provided email correspondence pertaining to Ms. Good's HHF Program application (Exhibit 5) and confirmed the information provided by Ms. Watkins.

HHF Advisor Manual

As of February 2015, the **HHF Advisor Manual** provides the details listed below regarding an applicant and the requirements of a qualifying hardship:

7. Has the client experienced a qualifying hardship (unemployment, underemployment, death, divorce or disability)?
 - a. Homeowners will only be eligible for the program if they are unemployed or substantially underemployed, through no fault of their own or has had a financial hardship due to Death, Divorce or Disability.
 - i. Unemployment / Underemployment Hardship
 2. a.i. Applicants who have voluntarily left work without good cause attributable to his or her employing unit or has been discharged by the employing unit for misconduct connected with his or her work, based on a finding by the Department of Economic Opportunity are not eligible for assistance.

WITNESS INTERVIEWS

On January 3, 2017, OIG staff conducted a recorded telephone interview of Anthony Adams, Secretary/Treasurer of AJ Slammers, Incorporated. Mr. Adams stated the following (paraphrased):

- Ms. Good's dates of employment as a bartender were from October 6, 2015 to December 27, 2015.
- Ms. Good "left due to her pregnancy."
- Ms. Good "never came back for her job."
- Regarding the letter Ms. Good provided as part of her HHF Program application, Mr. Adams:
 - Acknowledged he spoke with Ms. Watkins, who contacted him and provided a copy of the letter to him;
 - Said no officer of the business provided this letter;
 - Said he does not sign his name as "Tony"; and
 - He also responded to Ms. Watkins' her email (see Exhibit 2).

SUBJECT INTERVIEWS

On January 13, 2017, OIG staff left a voicemail and sent an email requesting to speak with Ms. Good. On January 24, 2017, OIG staff sent an additional email to Ms. Good, indicating that if she did not respond by January 27, 2017, then it would indicate that she did not wish to speak with OIG staff about her HHF Program application. In an email dated January 24, 2017, Ms. Good provided the following response:

Thank you, i (sic) have already tried to apply for this program, went though (sic) the long process of gathering and sending all the required documents and was denied because maternity leave was not a (sic) applicable hardship. I decided to sell my home to avoid foreclosure after being denied.

On February 2, 2017, OIG staff acknowledged her response and encouraged her to call for an update about her HHF Program application. To date, she has not responded.

FINDINGS/CONCLUSIONS

It is alleged Ms. Good provided falsified documents and made false statements/certifications on her HHF Program application about circumstances surrounding her termination of employment with A.J. Slammers in order to be found eligible to receive payments from HHF Program funds. This allegation was **Supported** by Ms. Watkins and Mr. Adams, who both confirmed the letter was not authentic, and Mr. Adams confirmed the employment letter provided by Ms. Good was inaccurate.

In accordance with Section 20.055(7)(c), F.S., on February 28, 2017, this investigation was coordinated with the Florida Department of Law Enforcement (FDLE) for a possible violation of federal and/or state laws, including:

- Title 18, United States Code, §1001, False Statements;
- Section 817.03, Florida Statutes (F.S.), Making false statement to obtain property or credit;
- Section 817.545, F.S., Mortgage Fraud; and/or
- Section 837.06, F.S., False Official Statements.

On April 21, 2017, FDLE advised that:

After a review of the information and consulting with the Office of the State Attorney, 10th Judicial Circuit, it has been determined that the case does not meet the FDLE’s investigative strategy; therefore, the FDLE will not be opening a criminal investigation.

INSPECTOR GENERAL COMMENTS

The OIG does not have any additional comments or recommendations

CERTIFICATIONS

This investigation was completed in accordance with accreditation standards established by The Commission for Florida Law Enforcement Accreditation and has been conducted in compliance with the “Quality Standards for Investigations” found within the *Principles and Standards for the Office of Inspector General*.



Name, Title, Office of Inspector General


APPROVALS




Melanie Yopp
Investigator



Chris Hirst
Inspector General



Date



Date