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## **Office of Inspector General**

Investigative Report

190201-01

March 10, 2020

**Chris Hirst, Inspector General**

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General  
Investigative Report  
Case Number 190201-01**

**INTRODUCTION**

On February 1, 2019, the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) received an email from Lynn Brady, Hardest Hit Fund (HHF) Analyst, who reported the following about Larekia Johnson, HHF Program recipient (paraphrased):

I am forwarding this to you because it appears there is possible manipulation of the bank statement submitted for the QT [Quarterly Touch] review.

- I reviewed the QT submitted yesterday which included the November 24, 2018 through December 21, 2018 statement:
  - I noticed the account number was not lined up on the front page and there were discrepancies with balances on the next page.
  - Also, when scanned, it looks like you can see where the account number was whited out.
  - Nicole noticed the YTD Interest paid figure was higher than we would have expected.
- I also reviewed the other statements we have received and see the same discrepancies with the August 22, 2018 through September 23, 2018 statement.
- I have included all the statements I saw in the file that had been received.
- We have already paid the February payment.
  - She has six remaining payments to be made.
  - We would like to avoid paying any more payments if you determine the statements have been altered.
  - We would need to know your findings by February 25 if possible to have time to stop the next payment.
- Please let me know if you have any questions. Thank you.

As reported above, Ms. Brady also provided the documents Ms. Johnson submitted to her HHF Advisor, which contained the bank statements in question (Exhibit 1). A quick review of these bank statements confirmed the irregularities. Therefore, the OIG initiated an investigation based on the allegation provided; and Ms. Johnson's HHF Program payments were suspended on February 20, 2019, pending the results of the investigation.

**ALLEGATIONS**

It is alleged Larekia Johnson provided falsified documents and made false statements/certifications on her HHF Program application and her QTs involving, but not limited to her JPMorgan Chase (Chase) Bank account records, 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.

## EXECUTIVE SUMMARY

From February 1, 2019 to December 2, 2019, OIG staff conducted interviews and reviewed significant documentation related to the allegations.

As a result of the investigation, OIG staff determined that the allegation of Larekia Johnson providing falsified documents and making false statements/certifications on her HHF Program application and QTs involving, but not limited to her Chase Bank account statements, in order to be found eligible to receive payments from HHF Program funds was **Supported**.

## COMPLAINANT INTERVIEW

Although Ms. Brady reported the details of the complaint to the OIG via email, she did not have direct knowledge of Ms. Johnson's activity. Therefore, a recorded statement was not taken of Ms. Brady.

## DOCUMENTATION/RECORDS ANALYSIS

OIG staff reviewed the HHF Program files on the Counselor Direct (CD) database, which included: the HHF Program files on the Counselor Direct (CD) database, the HHF Program loan documents (Loan #84601), and the HHF Program funding information. The results of the reviews are listed below by related documents, which are listed in bold:

### HHF Program Application

Ms. Johnson's HHF application (Exhibit 2), shows she listed her home residence as 6120 Memorial Highway, Tampa, FL 33615, and signed the application on January 20, 2018. The results of the review of her application are listed below by related documents, which are listed in bold:

- On her **HHF Intake Form**, which is the HHF Program application, Ms. Johnson stated that:
  - Her primary reason for her hardship was due to "illness"; and
  - She reported that she was unemployed and under the "Submission Checklist - Income" area of the form she stated, "Currently seeked [sic] work again since well and was offered a position that should begin soon. Have been Ubering to keep on lights & water."
- In her **Hardship Letter** submitted as part of the HHF Program Application, Ms. Johnson provided the following responses:

Explanation of how the Hardship Occurred:

Out of work originally in 2014 to support a sickly NICU child, enrolled in school to allow for better income stability when child became well. Tried returning to work on 2015 but then became ill myself as well and could not perform job duties as wanted. I started an online business to work from home and support myself but did not work. As of right now I am not making a good income and need assistance.

Do you or have you received unemployment benefits?: YES  / NO

If "NO", please explain:

Did not apply because of I was in disability

Has your pay or hours decreased, or was there a significant loss of business income?: YES  / NO

If "YES", please provide an explanation including duration of loss income:

Out of work originally in 2014 to support a sickly NICU child, enrolled in school to allow for better income stability when child became well. Tried returning to work on 2015 but then became ill myself as well and could not perform job duties as wanted. I started an online business to work from home and support myself but did not work. As of right now I am not making a good income and need assistance.

- By signing her **HHF Homeowner/Advisement Contract**, Ms. Johnson agreed to several items, with relevant items listed below:
  - I/we will always provide honest and complete information to my/our HHF Advisor, whether verbally or in writing;
  - I/we will contact the HHF Advisor about any changes in our situation immediately; and
  - I/we authorize Florida Housing & HHF Advisor Agency and/or lender and/or servicer handling my/our loan to verify employment, income or assets in conjunction with qualification for assistance.
- On her **Hardship Affidavit**, Ms. Johnson made certifications to ten items, and the items related to the allegations are listed below:
  1. Under penalty of perjury. I/we certify that all of the information in this affidavit is truthful and the event(s) identified above has/have contributed to my/our financial hardship.
  2. I/we understand and acknowledge that FHFC & HHF Advisor and/or its agents may investigate the accuracy of my/our statements, may require me/us to provide supporting documentation, and that knowingly submitting false information may violate Federal and/or state law.
  4. I/we understand that if I/we have intentionally defaulted on my/our existing mortgage, engaged in fraud or misrepresented any facts(s) in connection with this Hardship Affidavit, or if I/we do not provide all of the required documentation, I may not qualify for HHF assistance.
  10. In making this certification, I/we certify under penalty of perjury that all of the information in this document is truthful and that I/we understand that the Servicer, the U.S. Department of Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate federal law.

#### **HHF Program Loan Documents**

On July 23, 2018, Ms. Johnson signed the HHF Program Loan documents (Exhibit 3), certifying:

- As stated on the **HHF Approval Letter**:

... Your signature means that you agree to fulfill your obligations under the Florida Hardest Hit Fund, and if you do not fulfill those obligations, your participation and eligibility for assistance under the program(s) described above may be terminated. In addition, if at any time it is determined that you provided inaccurate or false information, or withheld information, in making application for assistance under the Florida Hardest Hit Fund, or if you fail to notify Florida Housing of events that would disqualify or render you ineligible for further assistance under the program(s) described above, your participation in the program(s) will be automatically terminated.

- On the **Promissory Note**, the property address was listed as 6120 Memorial Highway, and Ms. Johnson acknowledged the following (emphasis added):

#### **Item 7. DEFAULT**

**Default. I will be in default under their Note if: (i) I do not repay the HHF Loan as required in section 4 above; (ii) I submit incomplete, false or misleading information to the Lender, or anyone acting on Lender's behalf, before or after the approval of their HHF Loan; or (iii) I fail to provide to the Lender, or to anyone acting on Lender's behalf, on a timely basis any information required by the Lender in order for the Lender to monitor my continuing compliance with the terms and conditions of this Note. At the Lenders' option, I may be declared in default if I fail to comply with any of the terms and conditions in the Loan Documents or in the HHF Approval Letter issued to me in connection with the HHF Loan. If I am in default, the Lender may, its**



option, enforce this Note by any lawful means and require me to pay the Lender's costs and expenses as described in (D) below. . .

**Item 11. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated (jointly and severally) to pay the full amount owed and to keep all of the promises made in this Note. The Lender may enforce its rights under this Note against each of us individually or against all of us together and may enforce its rights against any of us in any order. This means that any one of us may be required to pay all of the amounts owed under this Note. Notwithstanding the terms and conditions in this section 11, the personal liability of any Borrower is limited in the manner and to the extent as provided in section 12 below.

**Item 12. LIMITS ON PERSONAL LIABILITY**

(B) The Borrower shall be personally liable to the Lender for the full repayment of the indebtedness evidenced by this Note if the indebtedness, or any portion of the indebtedness, is obtained or created as a result of fraud or misrepresentation, including the submission of false, misleading or incomplete information, by the Borrower in connection with the application for or creation of the indebtedness or in connection with any advance or disbursement of the indebtedness made by the Lender on Borrower's behalf during the term of this Note.

- The Rider to Promissory Note states (emphasis added):

**Item D. Conditions to Lender's Agreement to advance HHF Loan Proceeds.** In addition to the conditions described in C.I.(b) above, The Lender's agreement to advance the HHF Loan proceeds under C. above is subject to and conditioned upon the following: (i) The Borrower must occupy the Property at all times as the Borrower's primary residence; (ii) **the Borrower must continue to suffer financial hardship in the form of unemployment, underemployment, or reduced income from self-employment such that the Borrower lacks sufficient income to resume making the monthly mortgage payments required under the Borrower's First Mortgage Loan or to reinstate the loan;** (iii) the Borrower must provide to the Lender of to the Borrower's assigned HHF advisor on a quarterly basis documentation and evidence necessary to demonstrate that the Borrower continues to suffer financial hardship. . .

- On the **Subordinate Mortgage**, the property address was listed as 6120 Memorial Highway, and Ms. Johnson acknowledged the following (emphasis added):

**PROVIDED ALWAYS that if Borrower shall pay to Lender, all sums due or to become due under the Note or this Mortgage and shall perform, comply with, and abide by each and every stipulation, agreement, condition, and covenant of the Note and of this Mortgage. . .**

**Item 15. Acceleration; Remedies. Upon the Borrower's breach of any covenant or agreement of the Borrower in this Mortgage**, including the covenants to pay when due any sums secured by this Mortgage, or in the event that the Borrower shall have made a material misrepresentation or material omission in Borrower's application for the loan evidenced by the Note, **Lender, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. . .and**

**Item 20. Special Provisions:**

(a) **Default.** In addition to any other event of default under this Mortgage, the Borrower will be in default if any of the following occur: (i) **if Borrower submits incomplete, false or misleading information to the Lender before or after the approval of the Loan;** (ii) **if Borrower violates any**

terms and conditions of the Note, the terms and conditions of which are incorporated herein by reference, or any other loan document governing the Loan. . . (iii) if Borrower fails to provide to the Lender on a timely basis any information required by the Lender in order for the Lender to monitor Borrower's continuing compliance with the terms and conditions of the Loan.

**HHF Program Funding and QTs**

- HHF Program funding information showed Ms. Johnson received HHF Program funds<sup>1</sup> from August 3, 2018 until February 1, 2019 on her home located at 6120 Memorial Highway as detailed below:

Due	Amount	Description	Program
8/3/2018	\$12,303.44		MLRP
9/1/2018	\$1,133.56	Monthly Payment	UMAP
10/1/2018	\$1,133.56	Monthly Payment	UMAP
11/1/2018	\$1,133.56	Monthly Payment	UMAP
12/1/2018	\$1,133.56	Monthly Payment	UMAP
1/1/2019	\$1,133.56	Monthly Payment	UMAP
2/1/2019	\$1,133.56	Monthly Payment	UMAP
	<b>\$19,104.80</b>		

**SUBPOENA OF BANK RECORDS**

As previously reported above, this investigation was initiated based on Ms. Brady's reporting her concerns of "possible manipulation of the bank statement" by Ms. Johnson, who submitted the questionable bank records to her HHF Advisor as part of the required QT review. Therefore, OIG staff:

- Requested the Chief Inspector General, Executive Office of the Governor, subpoena Chase Bank for the original records on February 11, 2019; and
- On March 29, 2019, received, reviewed, and provided the statements from Chase Bank (Exhibit 4) to Ms. Brady and Ms. Gibson for their review and response.

**HHF PROGRAM REVIEW**

In an email dated June 7, 2019, Ms. Brady provided the following response after reviewing the Chase Bank statements (emphasis added):

Larekia Johnson/ UMAP 104055  
Bank statements

The copies of the bank statements received directly from Chase confirmed we had been given numerous statements that had been purposely altered. The initial statements used at application for approval match what we received directly from Chase.

Chase account number 0375

1. Our statement dated May 21, 2018 (should be May 22) through Jun 21, 2018 appears to be from a different time period with statement dates changed. Transactions, statement dates, beginning and ending balances, interest paid this period, mailing address format for applicant do not match

<sup>1</sup> MLRP = Mortgage Loan Reinstatement Payment Program and UMAP = Unemployment and Mortgage Reinstatement Program.

what was received from Chase. The discrepancies included a deposit of \$17,156.50 that is not on our copy supplied by the applicant. The source of the deposit is not addressed. The funds were used to pay bills and the ending balance of the statement from Chase was \$10,631.39. Had we been supplied the correct statement, after verifying the source and frequency of the large deposit, we would have given the applicant 30 days to spend the over limit funds to pay bills. The ending balance of the next statement from Chase for June 22, 2018 through July 23, 2018 showed an ending balance of \$6789.78. This still exceeded the Asset limit but we may have extended the time to use the funds before terminating payments for being over the Asset limit especially if there was a plan for spending the funds down on accumulated debt or any other documented housing related expense. The next statement from Chase for July 24, 2018 through August 21, 2018 showed an ending balance of \$4323.95 which would have met the Asset balance.

2. Our statement dated August 22, 2018 through September 23, (should be September 24) appears to be from a different time period with statement dates changed. Transactions, statement dates, beginning and ending balances, interest paid this period, mailing address format for applicant do not match what was received from Chase.
3. Our statement dated November 24, 2018 through December 21, 2018 appears to be from the correct time period but does not include the majority of the transactions it should. Transactions, statement dates, beginning and ending balances, interest paid this period, mailing address format for applicant do not match what was received from Chase.

The discrepancies in the statements August 22, 2018 through September 24, 2018 and November 24, 2018 through December 21, 2018 were an attempt to hide anything that might reflect the large deposit received 5/29/2018 for \$17,156.50 and other smaller deposits. Without knowing the details of the deposits, (for instance, the funds could have been an insurance claim and they were earmarked for expenses related to that claim) **I cannot say if the applicant would have remained eligible or not if we had been given the correct bank statements.**

Please let me know if additional information is needed.

**Note:** On June 7, 2019, OIG staff notified Special Agent Vivian Vega, Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP); and Jeremy Wade, Office of Financial Agents, U.S. Department of the Treasury, of this pending investigation due to what appears to be fraudulent activity of altered/forged bank statements.

## SUBJECT INTERVIEWS

In an under oath, recorded telephone interview with OIG staff on March 31, 2017, Ms. Johnson stated the following (paraphrased):

**OIG Questions and Comments:** What did she experience with the HHF Program application process?  
How did she learn about the program?

**Ms. Johnson's Response:** In a nut shell, I was going through a rough time:

- I have been employed all of my life and with my past job for about 15 years.
- Her "financial downfall" was due to her pregnancy with her second child- having her daughter early and her daughter ended up in a NIC unit.
- Her employer was "there for her" as much as they could, but she had to take time to be with her daughter at the NIC unit, which caused her to have a big decision.
- She had exhausted her leave, but she was not able to continue to work, plus she "was in school".

- There was “a lot of back and forth to get her [daughter] well”.
- I was looking for any help, her family tried to help, and she became behind on her mortgage.
- Her mom saw the program on TV [television]; and Ms. Johnson looked online and applied.
- It was about 6 months and she was calling, but she felt it was very difficult to communicate “there was a big language barrier”.
- She finally spoke with someone from the Hispanic Help Center and the advisor told her the program was at the end.
- She submitted additional paperwork, but was qualified before the funds ran out.

**OIG Questions and Comments:** What’s the location for the Hispanic Help Center?

**Ms. Johnson’s Response:** I had to drive over. They’re near Orlando.

**OIG Questions and Comments:** When she provided the documents, such as the bank statements and other items, did she hand carry them to the Hispanic Help Center? Or provide via email/fax?

**Ms. Johnson’s Response:**

No, that’s another thing. That was ah [sic] Let me think. Some stuff was faxed. Oh, I know . . . In the beginning something happened whatever with my fax machine. . . Someone had told me you could fax over your cellphone. . . At first I used that. It looked crooked – I guess, I do not know. However you scan it and it looks sideways you know -where you have to do it over. So, then I think I got – I borrowed my sisters, yeah she brought over one fax machine and I redid it and sent it to a guy. I wrote his name down too. Then after that, I think the rest of the things were with that fax machine. Yeah, I only used that phone thing in the beginning – trying to do all of the documents and then after that I borrowed my sisters fax machine.

**OIG Questions and Comments:** Our agency/office – looks at different applications. HHF Program funds are a second mortgage, with scrutiny. The underwriters looking at the documents were concerned about account numbers not lining up on the first page, discrepancies on the next page, and it looked like an account number had been whited-out. Year-to-day (YTD) interest figures were higher than would have been expected. Those were the discrepancies noted in the November and December and August/September 2018 bank statements.

**Ms. Johnson’s Response:**

Well, let me say something about that. Uh, I would never ever whiteout a bank statement or do anything like that. So, now – I remember one time too, now I’m trying to remember all this. One time, some of my stuff was out of order – because it was so much – it was like a lot of pages to fax or whatever. And I do remember I wrote her name down, I can get that for you – whatever later. It was the one person. . . that I could get in touch with – it was hard to get in touch with anybody, but the one lady, I can’t remember – I think her name was Carmela. She helped me at another time because stuff [sic] one time when I sent it all, I was trying to keep good documentation or whatever and when I had to resend some stuff, I remember I had like pages from whatever, but I don’t know if that’s what you are talking about. I would have to actually see it. I can tell you right now, that under whatever – I have never whited out or did any [sic] I don’t know if my[sic] if something came up – if I put an old page or whatever, but I have never [sic] I would never do that. I would never do that – especially when someone is trying to help me. I don’t know. I would have to see. To see what I have here what it looks like. Is there something different on the account numbers? Oh, one more thing, I do remember. I’m sorry, I didn’t mean



to cut you off, but one more thing is that in the beginning, so you can see maybe this has something to do with, I did ask Carmen from the first, first beginning [sic] I had I wanna say a (inaudible 10:32 minutes) or something or whatever bank account [sic], but like I'm just being [sic] There's no embarrassment anymore. I wasn't embarrassed from the beginning with me going through all that, my accounts were getting messed-up. So, I did ask someone, I do remember that, "Is it ok on my new stuff that I am sending, I don't have that account anymore. I do have Chase now. Now, I do remember that. . . So, if you do see a new account number that could be the case of that.

**OIG Questions and Comments:** Regarding the Chase account ending in 0375. . . we were able to subpoena the records to rule out if there were any issues. Note: A portion of the details from Ms. Brady's email dated June 7, 2019 were read to Ms. Johnson, as highlighted in yellow below:

4. *Our statement dated May 21, 2018 (should be May 22) through Jun 21, 2018 appears to be from a different time period with statement dates changed. Transactions, statement dates, beginning and ending balances, interest paid this period, mailing address format for applicant do not match what was received from Chase. The discrepancies included a deposit of \$17,156.50 that is not on our copy supplied by the applicant. The source of the deposit is not addressed. The funds were used to pay bills and the ending balance of the statement from Chase was \$10,631.39. Had we been supplied the correct statement, after verifying the source and frequency of the large deposit, we would have given the applicant 30 days to spend the over limit funds to pay bills. The ending balance of the next statement from Chase for June 22, 2018 through July 23, 2018 showed an ending balance of \$6789.78. This still exceeded the Asset limit but we may have extended the time to use the funds before terminating payments for being over the Asset limit especially if there was a plan for spending the funds down on accumulated debt or any other documented housing related expense. The next statement from Chase for July 24, 2018 through August 21, 2018 showed an ending balance of \$4323.95 which would have met the Asset balance.*

**OIG Questions and Comments:** An explanation was provided of this info and Ms. Johnson was asked whether she recalled having a \$17k deposit?

**Ms. Johnson's Response:**

I do. Yes, I do and that was. . . the biggest blessing ever. I had [sic] this is from a long time ago. To make a long story short, my taxes, from like whatever it was [sic], I don't even know now when we are speaking about dates whatever, but got that [sic] when I finally got that – I thought that was gone or whatever through the window. When I finally received that stuff back, and we agreed it was interest. So, that's when I got that [sic] and I did. Honestly, I owed everybody who helped me – whatever and then after that, when all that was gone, I finally [sic] one place that I was going to work, that didn't work out and then I finally got the place that I am working with now.

**OIG Questions and Comments:** Regarding the Chase account ending in 0375 – additional details from Ms. Brady's email dated June 7, 2019 were read to Ms. Johnson, as highlighted in yellow below:

5. *Our statement dated August 22, 2018 through September 23, (should be September 24) appears to be from a different time period with statement dates changed. Transactions, statement dates, beginning and ending balances, interest paid this period, mailing address format for applicant do not match what was received from Chase.*

**Ms. Johnson's Response:**

. . . I was just trying to hurry-up and send over whatever to get it – so that [sic]. So, what I don't even know now what you are saying for dates and stuff what you are saying . . . so it didn't match whatever with Chase?

**OIG Questions and Comments:** Yes, Regarding the Chase account ending in 0375 – additional details from Ms. Brady's email dated June 7, 2019 were read to Ms. Johnson, as highlighted in yellow below:

*6. Our statement dated November 24, 2018 through December 21, 2018 appears to be from the correct time period but does not include the majority of the transactions it should. Transactions, statement dates, beginning and ending balances, interest paid this period, mailing address format for applicant do not match what was received from Chase.*

*The discrepancies in the statements August 22, 2018 through September 24, 2018 and November 24, 2018 through December 21, 2018 were an attempt to hide anything that might reflect the large deposit received 5/29/2018 for \$17,156.50 and other smaller deposits. Without knowing the details of the deposits, (for instance, the funds could have been an insurance claim and they were earmarked for expenses related to that claim) I cannot say if the applicant would have remained eligible or not if we had been given the correct bank statements.*

**Ms. Johnson's Response:**

No, only that one – that you know that you are saying you saw. Other than that, I mean, she even knows . . . that of that came in when I was trying to Uber and do that, but that's the only one and I paid everybody back with that. So, my dad, my mom, everybody that was trying to give me a thousand here or two thousand, three thousand to catch-up on the bill stuff that I had. So, other than that – that's it.

**OIG Questions and Comments:** Regarding her voicemail message on her personal cellphone, which makes reference to a possible business, "All things Jazy.com", whether that was that a business she had when she was applying for HHF Program funds?

**Ms. Johnson's Response:**

Yes, that I was trying. Yeah, I was telling Carmen about that, but that's when I was like, "I have to go back to work because this isn't working out." I was trying to do that so I could stay at home with the baby and it was online sales. I was making some, but I mean [sic] and that's how I ended up getting back from everything that put out from my business from what I was doing online. The stuff I was trying to order, you know like meaning to sell, and it just didn't work out. I mean it probably could have. I still wanted to try to pursue that now because of the money I have put into it, but it wasn't fast enough you know to generate [sic]. I was already in a time crunch. So, it just didn't work out, but on the voicemail that is what that is – All Things Jazy. I was trying to stay at home with her, but it just didn't. So, that was kind of like a waste of the other money that I had.

**OIG Questions and Comments:** For a final comparison of the discrepancies between the statements she provided vs. the statements from Chase, she was asked whether she wanted to recap what she had explained.

**Ms. Johnson's Response:**

. . . I don't know to recap in a nutshell, I would have to pull out my things and see everything – because I remember sometimes she would even like, 'So, you faxed over she would say the old one'. To recap, I did receive the deposit. That is the only one and the rest of the time, that account was basically zero as I went through what I was going through. Then I just paid everybody back and I was so grateful for that and it was unexpected when it came. And the rest of the stuff you know it is what it is. I had nothing coming in and I was not working at that time. I was just trying to you know [sic]. And then like I told you before when I was first out, "How can I do this? How can I get income coming in to pay whatever? I did try that business, but it did not you know produce what I needed or work out. That's not definitely where that's money from and I wish I would have [sic]. If I had never asked for help if I knew I was getting money in from that.

**OIG Questions and Comments:** There were comments made to Ms. Johnson about sending the bank statements to her for comparison with her records; and whether she has her 2018 bank account statements:

**Ms. Johnson's Response:** "I used to be good with that, because I do keep a file with stuff in it to keep; and I can go look in it. Like I said, I used to be great with it, but . . . now that you can look it up online. I can try to do that if I don't have it."

**OIG Questions and Comments:** When asked whether she had any additional comments to make, Ms. Johnson stated:

**Ms. Johnson's Response:**

. . . No, so my point is so after [sic]. So, if that is the case with the \$17,000, and I go that and I shouldn't have allocated it on my own. I should have shown you guys. You know, got it and not say not pay people back, but . . . show documentation or whatever. I don't know – if that's the case and I have to pay that back, I mean I will, but what is the logistic of the whole outcome? . . .

**Note:** The records were not sent to Ms. Johnson – pending coordination with Agent Vega.

**ADDITIONAL HHF PROGRAM MANAGER'S REVIEW**

On December 2, 2019, Special Agent Vega contacted OIG staff to provide an update on the status of her review of Ms. Johnson's file. She also asked whether Ms. Johnson would have still qualified to receive HHF Program funding based on her receipt of the \$17,000, due to Ms. Brady's statement reported above under the HHF Program Review section, ". . . I cannot say if the applicant would have remained eligible or not if we had been given the correct bank statements."

In emails dated December 2 and 3, 2019, Ms. Gibson provided the following explanations to OIG staff and Special Agent Vega (emphasis added):

**December 2, 2019:** That's the problem, we typically give people a month to spend down assets especially if they get a large lump-sum. Ms. Johnson did appear to, in the subsequent months, spend down that refund on debt but I believe that it took her over 30-days to do so. If we were made aware and she had a plan in place for the remaining over asset funds, we probably could have been flexible but we were never given the chance.



**December 2, 2019:** At the time of application, Ms. Johnson was eligible to receive assistance. It was at the closing Quarterly Touch (QT) where we re-verify eligibility that we received altered documents. The timing of the receipt of the closing QT can vary but we usually received within 2 weeks of closing.

That being said, if we were supplied the correct statements, we would have still funded the reinstatement on 8/3/18 and monitored for the spending of the additional assets.

It all comes down to receipt of the altered documents as to the determination of ineligible. Ms. Johnson dated her closing QT 7/23/18, the same day as she signed the closing package. We received the closing package 7/27/18 and notified the advisor that the QT was missing. The QT was uploaded 7/31/18 and we funded 8/2/18.

**If the determination of ineligibility is tied to the sending/receipt of the fraudulent bank statements, then we received those before we funded and the entire amount expended on her behalf would be owed.**

## FINDINGS/CONCLUSIONS

It is alleged Larekia Johnson provided falsified documents and made false statements/certifications on her HHF Program application and QTs involving, but not limited to her Chase Bank account records, in order to be found eligible to receive payments from HHF Program funds. The allegation was **Supported** by the subpoenaed Chase Bank statements, which were reviewed by OIG staff, Ms. Gibson, and Ms. Brady, who provided a summary of the discrepancies as reported above.

As previously indicated, on June 7, 2019, this investigation was provided to Agent Vega in accordance with §20.055(7)(c), F.S, for possible violations 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 February 20, 2020, Agent Vega advised that, "This matter was closed by SIGTARP for lack of prosecutorial merit."

## ADDITIONAL HHF PROGRAM MANAGER'S REVIEW

In an emails dated March 3, 2020:

- OIG staff:
  - Notified Ms. Gibson, the General Counsel's Office and loan servicing staff of Agent Vega's update;
  - Requested an agency response regarding the forgiveness of Ms. Johnson's HHF Program Loan; and
  - Explained that a previous, similar case involving forged bank documents resulted in no forgiveness and a demand letter being sent to the individual.<sup>2</sup>
- In response, Ms. Gibson stated, "I believe that we should be consistent with the other cases and follow the same no forgiveness and send a demand letter."

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<sup>2</sup> OIG Case No. 170221-01 Marcel Loudort



## INSPECTOR GENERAL COMMENTS

The OIG agrees with Ms. Gibson's recommendation to not allow forgiveness and that a demand letter be sent to Ms. Johnson by Florida Housing General Counsel staff requiring return of the \$19,104.80 in HHF Program fund received.

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*. The investigation was conducted by Melanie Yopp, Director of Investigations, CFE, CGAP, CIGI, CIGA under the supervision of Chris Hirst, Inspector General, CIG, CIGI, CIGA.