



FLORIDA HOUSING CORPORATION

we make housing affordable

Office of Inspector General

Investigative Report

140103-01

November 19, 2015

Chris Hirst, Inspector General

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General
Investigative Report
Case Number 140103-01**

INTRODUCTION

On January 3, 2014, the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) received an email from Nicole Gibson, Assistant Director of Homeownership Programs, alleging fraud on the part of Michael Rohrbacher, Hardest Hit Funds (HHF) Principal Reduction (PR) applicant. Ms. Gibson had requested Corelogic Inc. staff to review an email Mr. Rohrbacher claimed to have received from Corelogic regarding his mortgage payment status. Ms. Gibson stated that the communication she received on January 3, 2014 regarding Mr. Rohrbacher's mortgage payment status showed that he had no late mortgage payments. However, her records as of December 31, 2013, showed that Mr. Rohrbacher had seven late payments. Corelogic staff reviewed the questionable email and informed Ms. Gibson that the email did appear to be fraudulent.

The OIG initiated an investigation based on the information provided.

ALLEGATIONS

It is alleged that Michael Rohrbacher, HHF PR applicant, committed fraud by providing a fraudulent email to support his eligibility for PR funds. If supported, the allegation 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 January 6, 2014, to October 28, 2014, the Office of Inspector General staff conducted interviews and reviewed significant documentation/records as it relates to the allegations. As a result of the investigation, Office of Inspector General staff determined that the allegation of fraud against Mr. Rohrbacher, was **Supported**. Additionally, Office of Inspector General staff discovered through searches and background checks that Mr. Rohrbacher may have lived in Hawaii during 2013.

COMPLAINANT INTERVIEW

On October 9, 2014, Nicole Gibson confirmed via email that she had received Mr. Rohrbacher's alleged Corelogic email from his Advisor Agency, Consolidated Credit Solutions, Inc. Through a review of emails, the OIG determined that Ms. Gibson forwarded the questionable email to Corelogic staff member, Dan Harris. Mr. Harris indicated that the email was fraudulent and provided the reasons for his concerns. Ms. Gibson forwarded the email to OIG staff for investigation.

DOCUMENTATION/RECORDS ANALYSIS

A review of Mr. Rohrbacher's HHF PR application (Exhibit 1) dated October 3, 2013 was completed. The marital status and residence that Mr. Rohrbacher filled out on his HHF PR application are inconsistent with background records and testimony.

A review of the alleged Corelogic email (Exhibit 2) dated January 3, 2014 to Mr. Rohrbacher was completed. The email was purportedly sent to Mr. Rohrbacher to support his mortgage payment history. There are several inconsistencies in the email, such as: numerous typo's in the email; lack of adherence to Corelogic's protocols for formatting and sending emails; an invalid report number; the improper use of the Corelogic logo obtained from the internet; and the author of the email, Sheila Kim, is not a Corelogic employee.

A review of Mr. Rohrbacher's email (Exhibit 3) dated January 4, 2014 to Joseph Cvelbar, Consolidated Credit Solutions, Inc. Director of Housing was completed. This email confirms Mr. Rohrbacher's decision to cancel his HHF application. Mr. Rohrbacher had been notified that the OIG was reviewing his application. This email also has several errors and typos that are similar to the January 3, 2014 email. These errors included, "there" instead of "their"; leaving out the last letters of certain words; "change" instead of "changed"; "you" instead of "your"; "though" instead of "thought"; "an" instead of "any"; and "long" instead of "longer".

WITNESS INTERVIEWS

On September 10, 2014, the OIG emailed questions to Dan Harris, Senior Business Support Specialist, Corelogic, Inc. Mr. Harris responded to the OIG on September 11, 2014. The following represents actual and paraphrased statements made by Mr. Harris:

Mr. Harris has been employed with Corelogic for over 15 years. He explained that his primary responsibility is to support credit report orders in a batch fulfillment role. Additionally, he provided several reasons as to why he believed the January 3, 2014 email was fraudulent.

Mr. Harris indicated that the report number referenced on the email was not valid and did not match Corelogic's sequence number. Regarding the purported author of the email, Sheila Kim, Mr. Harris stated that "aside from simply knowing a lot of employees I also verified against multiple employee directory sources. In addition someone reporting to the CEO (see Sheila's title) would not be handling something of this nature. It would go through Credco's customer service department." In addition, he noted that, "this type of inquiry would go directly from an employee and their email address would be visible. Also, noreply@corelogic.com is an invalid email address."

Mr. Harris indicated that the Corelogic logo included on a valid Corelogic email comes from a graphic file stored locally. Mr. Harris found that the logo on the January 3, 2014 email, reference or linked him to a third party website. Therefore, the logo was copied from a website and not a graphic file.

Mr. Harris also verified that the email was not sent out with Corelogic protocols since it did not have the "wrapper" information that is included in the email subject line.

On October 28, 2014, the Office of Inspector General conducted a telephone interview with Joseph Cvelbar, Director of Housing, Consolidated Credit Solutions Inc. The following represents actual and paraphrased statements made by Mr. Cvelbar:

Mr. Cvelbar explained that he was the supervisor for the advisor who was assigned to Mr. Rohrbacher's file. He did get involved with this file since Mr. Rohrbacher was having issues trying to

document that he was current on his mortgage payments. The OIG asked him if he could recall any conversations with Corelogic that were held on the days prior to January 3, 2014. Mr. Cvelbar did not recall any phone calls with Corelogic regarding Mr. Rohrbacher. He may have said to Mr. Rohrbacher that he used to have contacts at Corelogic from his time working at First American which owned Corelogic at that time. He thinks that Mr. Rohrbacher did make a connection with one contact at Corelogic who worked in customer service.

When asked if he could recall his contacts at Corelogic, Mr. Cvelbar indicated he could not since it had been over five years. As for Mr. Rohrbacher's case, he is certain that he was not part of a conference call with Mr. Rohrbacher and Corelogic. From his time at Corelogic, he knew that he would have needed authorization to request Mr. Rohrbacher's information directly.

When asked about the January 3, 2014 email, Mr. Cvelbar stated that he suspected that Mr. Rohrbacher falsified it. Mr. Cvelbar also stated that he did not know Sheila Kim, the email's alleged author.

On October 7, 2014, the Office of Inspector General conducted a telephone interview with Lillian Sanchez, Service Representative, Bank of America (BOA). The following represents actual and paraphrased statements made by Ms. Sanchez:

Ms. Sanchez was requested to explain the BOA loan documents dated August 15, 2013, that related to Mr. Rohrbacher's mortgage. These were the documents, which showed that Mr. Rohrbacher was current on his mortgage payments. Ms. Sanchez stated that the loan documents contained accurate information about Mr. Rohrbacher's account. She also stated that they were authorized documents that appeared to be authentic and would have come from her office.

While the BOA documents supports Mr. Rohrbacher being current on his mortgage, HHF's underwriters could not verify with Corelogic Credco that he was current on his payments. The CD records attempt to obtain a clear report from Corelogic; but as of December 10, 2013, Corelogic Credco continued to show that Mr. Rohrbacher had missed payments.

SUBJECT INTERVIEWS

On October 7, 2014, the Office of Inspector General conducted a telephone interview with Michael Rohrbacher. The following represents actual and paraphrased statements made by Mr. Rohrbacher:

Mr. Rohrbacher called in for the OIG's request for a formal interview. He was concerned that he was being investigated and noted the affect the application had on his health. He stated that the January 3, 2014 email from Corelogic that he forwarded it to his advisor had not been requested and he did not know the author of the email Ms. Kim. He did remember one or more times that his advisor Harold Ajon and the advisor's supervisor Joseph Cvelbar had him on a conference call with Corelogic. Mr. Rohrbacher believes these calls initiated the email request to get his mortgage history status.

Mr. Rohrbacher stated that he did not recall contacting Corelogic directly during the application process; however, this is inconsistent with the testimony of Mr. Cvelbar, which indicated that he thought Mr. Rohrbacher had been in contact with Corelogic. Furthermore, the January 3, 2014 email from Corelogic to Mr. Rohrbacher begins by stating: "Thank you for taking the time out to reach out to me. I appreciate your efforts."

Mr. Rohrbacher indicated that the reason Corelogic was being contacted was to clarify whether he was up to date on his BOA mortgage payments. He remembers that BOA had misapplied some of his payments after a fire and that resulted in the credit agency flagging some missing payments. Mr. Rohrbacher stated that he was current on his payments and had reports from BOA that showed the same. Mr. Rohrbacher indicated that since the email was accurate with respect to his mortgage account that he had no reason to believe that the email was fraudulent.

Mr. Rohrbacher did not know where the email may have come from but indicated that his advisor might be able to provide information since his advisor was in contact with Corelogic.

On October 23, 2014, the OIG emailed Mr. Rohrbacher with additional questions to address more specifics regarding the source of the email. The questions pertained to when the email was received and the type of device used to open the email. The OIG requested Mr. Rohrbacher to provide a printout of the email header detail which might provide the location or address of the sender. In addition, the OIG requested an explanation as to why Mr. Rohrbacher was living outside of his residence during 2013.

On October 23, 2014, Mr. Rohrbacher stated that prior to receiving the January 3, 2014 email, he remembers that that he got off the phone with his advisor agency and that his advisor had indicated that something would be sent to him. After Mr. Rohrbacher received the email from Corelogic, he forwarded it to his advisor. He did not have any further information to provide regarding this issue (the email). As for his residency, the OIG's background search showed that Mr. Rohrbacher lived in Hawaii for all or a part of 2013. There were utility, cell phone, and post office box records in Hawaii for him. Mr. Rohrbacher explained that his spouse has lived in Hawaii for the past several years and that he was attending school there as well. Mr. Rohrbacher stated he had set up a P.O. Box in Hawaii and received help from his spouse and other family members since he was disabled. Mr. Rohrbacher's statements regarding his spouse and attendance at school in Hawaii are inconsistent with his HHF PR application. On his application, Mr. Rohrbacher indicated that he is single and living in Florida.

ADDITIONAL ISSUES

Based on information obtained during this investigation, the following additional issue was discovered: Mr. Rohrbacher did not accurately disclose his marital status or his residential status on the HHF PR application. Mr. Rohrbacher reported to be "single" on his HHF application and indicated to be a resident of the state of Florida. However, it appears that Mr. Rohrbacher was a married student living with his spouse in Hawaii.

FINDINGS/CONCLUSIONS

It is alleged that Mr. Rohrbacher, HHF PR applicant, committed fraud by sending his HHF advisor a false "Corelogic" email to support his mortgage payment history. The allegation was **Supported**. The finding was based on testimonial evidence which confirmed that the email was not prepared by authorized Corelogic staff. Additionally, the typographical errors in the email were consistent with other emails that Mr. Rohrbacher had sent to his advisor. Furthermore, Mr. Rohrbacher's statement that he had no contact with Corelogic prior to receiving the alleged email is contradicted by his advisor's testimony and by the reference made in the email by the author stating that Mr. Rohrbacher had previously contacted her.

In accordance with §20.055(6)(c), F.S, on December 9, 2014, this investigation was coordinated with the Florida Department of Law Enforcement (FDLE) for a possible violation of Section 817.03, F.S. (Making false statement to obtain property or credit), Section 817.545, F.S. (Mortgage Fraud) and Section 837.06 F.S. (False Official

Statements). On October 5, 2015, FDLE advised that they would not initiate a criminal investigation and stated the following:

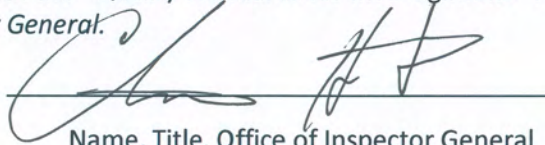
The review of the complaint and consultation with FDLE legal counsel resulted in the decision to not open an investigation. The suspect in this complaint, Michael Rohrbacher, was interviewed by the OIG on October 7, 2014 and according to the provided report, denied any knowledge of falsifying emails. Without forensic evidence or an admission of guilt the allegations probable cause cannot not be established that a crime occurred. The discrepancies between CoreLogic and Bank of America also proved problematic and added to the decision not to further investigate this matter.

INSPECTOR GENERAL COMMENTS

The OIG determined that HHF Program management and the Consolidated Credit Solutions Inc. Advisor Agency took the appropriate actions to prevent the funding of Mr. Rohrbacher's HHF PR application since it contained potentially fraudulent or inaccurate information.

CERTIFICATIONS

This investigation was 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

Investigator Separated from Corporation _____

Name
Investigator

11-18-15
Date



Chris Hirst
Inspector General

11-18-15
Date