



we make housing affordable

## **Office of Inspector General**

**Investigative Report**

**140623-01**

**April 9, 2015**

**Chris Hirst, Inspector General**

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General  
Investigative Report  
Case Number 140623-01**

**INTRODUCTION**

On June 24, 2014, the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) received an email complaint from Mr. Roberto Martinez alleging fraud on the part of Mr. Sixto Gonzalez, a Hardest Hit Fund (HHF) recipient. On June 30, 2014, the OIG received a second email complaint from Mr. Jose Fernandez also alleging fraud on the part of Mr. Gonzalez. Mr. Gonzalez had received a total of \$12,967.19 in HHF funding from April 28, 2014 until August 27, 2014.

The allegations provided on June 24, 2014 stated that Mr. Gonzalez did not report his employment, at a travel agency and at the not-for-profit organization Live Like Bella, which gave him a combined income of a \$90k annual salary. Additionally, the employment of his spouse and the residency of another adult along with his or her related rental income were also not included on his application.

The allegations on June 30, 2014, stated that Mr. Gonzalez's wife, Dayana Gonzalez, received a \$250,000.00 life insurance policy payout in 2011 from the passing of her mother. Allegedly with the payout money, Mr. Gonzalez bought jewelry, spent thousands on the house, and bought lavish cars (white Mercedes-Benz E350 & white Mercedes-Benz C-Class). Furthermore, these funds were not disclosed on his financial application either.

The OIG initiated an investigation based on the information provided.

**ALLEGATIONS**

It is alleged that Mr. Gonzalez committed fraud by providing false information on his HHF Unemployment Mortgage Assistance Program/Mortgage Loan Reinstatement Program (UMAP/MLRP) application. The false information included non-reporting of assets, incorrect income and employment status of Mr. Gonzalez and his wife, Dayana Gonzalez, and omitting the residency and income of Mr. Gonzalez's mother, Ana Almedya, from the application.

The Florida Housing HHF Advisor Procedures Manual dated June 2012 requires that the applicant report assets, including but not limited to all savings, checking, and money market accounts, certificates of deposits, taxable investment accounts, savings bonds, and cash. All such accounts must be in the name of the borrower and/or co-borrower or for the benefit of the borrower or co-borrower. In addition, the applicant is required to report income from the borrower, co-borrower, borrower's spouse, and any other adult household members. This information must be included in the calculation of total household income.

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
- Section 837.06, F.S., False Official Statements.



## EXECUTIVE SUMMARY

From June 24, 2014 to October 24, 2014, the Office of Inspector General conducted interviews and reviewed significant documentation/records as they relate to the allegations. As a result of the investigation, Office of Inspector General staff determined that the allegation of fraud against Mr. Gonzalez, was not supported. Although Mr. Gonzalez did exclude his mother's income from his total household income on the HHF application, he would still have been eligible for HHF funds even with the inclusion of his mother's income.

## COMPLAINANT INTERVIEW

The complainants did not respond to the OIG attempts to contact them regarding their allegations.

## DOCUMENTATION/RECORDS ANALYSIS

A review of Mr. Gonzalez's HHF Intake Application (Exhibit #1) dated February 19, 2014, shows his family size to be five. This would include his wife and three dependents. Ms. Almedya, Mr. Gonzalez's mother, is not included on the application.

A review of Mr. Gonzalez's Income Calculation form (Exhibit #2) dated March 12, 2014, shows that Mr. Gonzalez met both the 31% Debt to Income test and the 140% Area Medium Income (AMI) Test. Additionally, when his mother's income was added, he still would have met the income tests.

A review of the Dade County voter registration records (Exhibit #3) dated September 8, 2014, supports the fact that Ms. Almedya lived at the same residence as Mr. Gonzalez.

A review of Ana Almedya's affidavit (Exhibit #4) dated October 17, 2014, shows that Ms. Almedya did reside with her son Sixto Gonzalez. She stated that she would also stay with her in-laws and brother. She also reported receiving approximately \$53,000 in 2013 and did not contribute to Mr. Gonzalez's household expenses.

A review of Ana Almedya's payroll records (Exhibit #5) show that her annualized income was \$41,102.75. The OIG determined that Mr. Gonzalez still met the eligibility requirements even after Ms. Almedya's income was added to the total household income.

A review of Counselor Direct (CD) Payment records (Exhibit #6) dated October 29, 2014, shows that Mr. Gonzalez received monthly payments of the HHF funds totaling \$12,967.19 starting on April 28, 2014 and ending on August 27, 2014.

## WITNESS INTERVIEWS

On July 7, 2014, the Office of Inspector General conducted a telephone interview of Jean Morgan, Accounting Manager, American Pathology Associates. The following represents actual and paraphrased statements made by Ms. Morgan:

Ms. Morgan stated that Mr. Gonzalez was terminated from his employment with American Pathology Associates on November 1, 2013. She could not say if there were any employment issues that would have caused termination.

On July 3, 2014, a telephone interview was requested of Raymond Rodriguez-Torres, Chairman, Live Like Bella Organization regarding Mr. Gonzalez's employment. Mr. Rodriguez-Torres responded to the OIG's request with an email, dated July 3, 2014. The following represents actual and paraphrased statements made by Mr. Rodriguez-Torres:



Mr. Rodriguez-Torres stated that Mr. Gonzalez was an unpaid volunteer of Live Like Bella.

On September 4, 2014, the Office of Inspector General conducted a telephone interview of Emily Karran, HHF Advisor, City of North Miami.

Ms. Karran stated that she was one of the advisors who worked on Mr. Gonzalez's application file. The OIG inquired about how household size was determined for Mr. Gonzalez and whether there was any discussion of assets, additional properties, etc.

Ms. Karran explained that with regard to family size or household members, Mr. Gonzalez did not mention his mother, Ms. Almedya, living in the home. His application listed three dependents, his two children, and his 74-year-old father. Ms. Karran stated that there was some back and forth in order to get the father's income. However, it was later determined that he actually did not live in the house, although he was reported as a dependent.

Ms. Karran further stated that she was not aware of any additional properties owned. She had verified ownership via the homestead exemption. She was aware that Mr. Gonzalez's mother had loaned Mr. Gonzalez money, but she was not aware that Ms. Gonzalez lived in the home.

On September 29, 2014, the Office of Inspector General conducted a telephone interview of Patricia Keyes, P.A. The following represents actual and paraphrased statements made by Ms. Keyes:

Ms. Keyes stated that she had handled the probate for the estate of Dayana Gonzalez's mother. Ms. Keyes indicated that Dayana was not a beneficiary for any proceeds including life insurance. Ms. Keyes explained that the proceeds of the estate were being distributed to Dayana's aunts.

Ms. Keyes did recall hearing from family members that Dayana had received some inheritance several years ago and that money was used to purchase her home.

## SUBJECT INTERVIEWS

On September 3, 2014, the Office of Inspector General conducted a telephone interview of Sixto Gonzalez, HHF recipient. The following represents actual and paraphrased statements made by Gonzalez:

Mr. Gonzalez applied for UMAP/MLRP on February 19, 2014 and subsequently was approved for funding on April 24, 2014. He indicated that his hardship was unemployment. The OIG inquired as to the allegations regarding his employment status and non-reporting of income and assets.

Regarding the allegations concerning his employment with an unnamed travel agency and the nonprofit Live Like Bella, Mr. Gonzalez stated that he did not work or receive compensation from either a travel agency or the Non-Profit organization, Live Like Bella. Mr. Gonzalez explained that he and his wife were volunteers at Live Like Bella. Mr. Gonzalez confirmed that he was unemployed at the time of application.

Regarding the allegation of unreported income and assets from his wife receiving life insurance proceeds, Mr. Gonzales indicated that his wife, Dayana, had received about \$100,000 in life insurance proceeds when her mother passed away four years ago. Mr. Gonzalez explained that this money was used to purchase their home. Mr. Gonzalez stated that Dayana would not be entitled as a beneficiary to her mother's estate.

Regarding the allegation that Mr. Gonzalez's mother, Ms. Almedya, lived with him and was alleged to be working and receiving social security, Mr. Gonzalez acknowledged that his mother lived at his residence during the time of his application. Mr. Gonzalez explained that his mother has health issues such as forgetting things, having



accidents with the car, etc. Additionally, he never thought that his mother would need to be included in his household size and/or family income. He did report the money he received from his mother as loans. He did not require her to pay for things and did not report her on his taxes. He recalled that she does not make much income, only about \$38,000. Mr. Gonzalez stated that the question of residency never came up with his advisor but her loans were discussed.

### ADDITIONAL ISSUES

Based on information obtained during this investigation, no additional issues were discovered.

### FINDINGS/CONCLUSIONS

It is alleged that Mr. Sixto Gonzalez, HHF recipient, committed fraud by providing false information on his HHF application for funding. The allegation was not supported. The finding of not-supported was based on records and testimony which supported that Mr. Gonzalez had properly reported his employment status, income, and assets including those of his wife. Mr. Gonzalez did fail to report his mother, Ana Almedya, as a member of his household on his HHF application. Mr. Gonzalez indicated that his mother had loaned him money, which he did report to HHF, but he did not consider his mother's income as a part of his household income. He stated that she did not share in household expenses or provide income to the family. He also did not report his mother as a dependent on his tax return. Furthermore, Mr. Gonzalez would have been eligible for HHF even if he had reported his mother's income.

Mr. Gonzalez also promptly reported his new employment on his July 23, 2014 Quarterly Touch which resulted in his HHF payments being terminated in August of 2014.

### INSPECTOR GENERAL COMMENTS

The Office of Inspector General recommends that this investigation be closed.

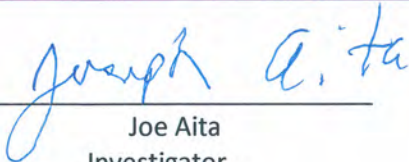
### CERTIFICATIONS

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



Joe Aita  
Investigator

4/9/15  
Date



Chris Hirst  
Inspector General

4/9/15  
Date