

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/11/2018	<p>HUD OIG received information from the New Jersey Mortgage Fraud Task Force that alleged a residential real estate agent and co-conspirators participated in a loan origination/short sale fraud scheme that involved 17 FHA-insured mortgage loans for properties in and around Elizabeth, New Jersey. Thirteen individuals were charged and convicted of crimes and 12 of them were sentenced to incarceration and/or probation. Collectively, restitution was ordered payable to HUD of approximately \$3.8 million.</p>	Successful Prosecution
11/8/2017	<p>HUD OIG received information that an individual represented to homeowners, including FHA-insured mortgage borrowers, that he was interested in purchasing their property and would offer a cash price to close very quickly. The investigation determined that the subject never closed on the title of these residences and instead, rented those properties to others including some who were participants in HUDs Housing Choice Voucher Program (Section 8). The subject then diverted the rental income for his personal use, while the property remained in the original distressed owner's possession, unbeknownst to the original owner. The subject was charged in US District Court with mail fraud and tax evasion, pled guilty, and was sentenced to serve 108 months incarceration, 36 months supervised release, and ordered to pay approximately \$1,102,935 in restitution to US Government and individual victims.</p>	Successful Prosecution
3/20/2018	<p>HUD OIG proactively reviewed the loan origination practices of a Direct Endorsement Lender who had a default rate of over 20%. The investigation determined that during the period of 2006 through 2012, the lender knowingly submitted or caused to be submitted to HUD, claims for FHA insurance for loans that were ineligible for FHA insurance. The lender also falsely certified to HUD that they were in compliance with HUD program rules, when they were not. The Government filed a Civil Complaint in U.S. District Court, and simultaneously settled the mortgage fraud lawsuit against the New York financial lending institution. The lender agreed to pay \$1.67 million to HUD and admitted, acknowledged, and accepted responsibility for, among other things, failing to maintain a compliant quality control program, and approving loans for FHA insurance that failed to meet HUD requirements.</p>	Successful Prosecution

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12/8/2017	<p>A referral was received from a law enforcement partner alleging that five conspirators were engaged in a foreclosure rescue fraud scheme. The investigation determined that the conspirators made a series of false promises to convince more than a thousand distressed homeowners seeking relief through government mortgage modification programs to pay thousands of dollars each in advance fees to numerous companies owned or controlled by the ringleader. Among other things, the fraudsters directed telemarketers and salespeople to lie to distressed homeowner victims by telling them that they were pre-approved for loan modifications and that they were retaining a law firm and an attorney who would complete their mortgage relief applications and negotiate with the banks to modify the terms of their mortgages. Contrary to these representations, the co-conspirators did little or no work in connection with these fraudulently induced advanced fees. The group was charged with multiple felonies and subsequently pled guilty. They were collectively ordered to serve over 11 years of incarceration and pay restitution of \$2,655,253.65 to various victims.</p>	Successful Prosecution
12/4/2017	<p>HUD OIG received information alleging that a lumber company in Elizabeth, NJ, that received CDBG funds and contracted with different housing authorities to provide supplies might have engaged in bribes affecting federal programs. The investigation determined that the lumber company, along with other subcontractors and government employees of agencies that administered CDBG and other federal funds conspired to misuse HUD (and other agencies') funds when then overbilled, paid bribes and kickbacks, and fraudulently substituted products using substandard items. Six individuals were charged with felonies and pleaded guilty to mail fraud, bribery, and in one case, lying to the grand jury. They were collectively sentenced to serve time in prison, pay restitution to various victims, and ordered to forfeit money or property.</p>	Successful Prosecution
12/5/2017	<p>A referral was received that alleged the misuse of HUD CDBG Entitlement funds that were administered by the City of Newark. The investigation determined that several individuals engaged in a scheme to defraud a city entity by accepting bribes and kickbacks from contractors. Collectively, six individuals were sentenced to serve over 20 years imprisonment and were ordered to pay restitution of almost \$1 million.</p>	Successful Prosecution

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2/15/2018	HUD OIG received information from the New Jersey Hurricane Sandy Fraud Task Force alleging that an applicant might have falsified information regarding her primary residence so that she could receive the benefit of a \$10,000 grant. The allegations were not substantiated.	Prosecution Declined
12/14/2017	HUD OIG received information alleging that a housing authority board member defrauded the housing authority when he awarded an oil supply contract to a local oil company owned by the board member's son, without making the contract available for bid by competing vendors or disclosing the conflict of interest. The investigation determined that the contract cost was de minimus and there was no evidence of criminal intent to deceive or defraud the housing authority. The housing authority took steps to end the oil contract to the relative's company and awarded the oil supply contract to a company after proper procurement procedures were followed.	Allegations unsubstantiated
11/14/2017	HUD OIG received information alleging that a New Jersey housing authority executive director purchased store gift cards using the housing authority credit card and then used those gift cards for personal use. HUD OIG substantiated the allegations. The executive director pleaded guilty to felony theft and was ordered to pay restitution to the housing authority.	Successful Prosecution
12/28/2017	HUD OIG received information alleging a New York City canine day-care, grooming, and boarding business, misused HUD disaster relief funds by using it for personal use. The investigation determined that the New York City business relief program rules allowed for the use of some HUD funds to pay for personal expenses, not related to the business. This investigation was administratively closed.	Administratively Closed

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3/21/2018	<p>A referral was received from a federal law enforcement partner alleging that a construction contractor used illegally gained proceeds to purchase distressed or foreclosed properties, some of which were HUD-owned homes, to launder the illegally gained proceeds. The properties were then sold to first-time homebuyers who might have received a fraudulently originated FHA-insured mortgage. The investigation determined that although some properties involved in the alleged scheme were HUD REO properties, there was no evidence to substantiate that the end buyers of the contractor's flips received fraudulent FHA-insured mortgages. The money laundering allegation will continue to be investigated by other law enforcement agencies. This investigation was administratively closed.</p>	Prosecution Declined
12/15/2017	<p>HUD OIG received information alleging irregularities and possible fraud concerning HOME grants awarded in 2003 to several non profit organizations in Yonkers, New York. The investigation was not able to substantiate evidence of criminality on the part of the non-profit organizations but was concerned about the grantee's stewardship of HUD funds. Therefore, after prosecutorial declination, this matter was referred back to HUD for their administrative review and action, if warranted.</p>	Prosecution Declined
10/3/2017	<p>HUD OIG received information alleging a housing authority employee stole approximately \$70,000.00 from the housing authority's operating fund, of which approximately \$30,000 were HUD funds. The employee resigned from their position at the housing authority. The employee was charged with a felony, pled guilty, and was sentenced in U.S. District Court. The former employee was sentenced to serve five months incarceration, 36 months supervised release, and ordered to pay restitution to the housing authority of \$70,648.</p>	Successful Prosecution
12/15/2017	<p>HUD OIG opened a proactive review of a NY housing organization's spending of CPD funds based on a program monitoring report indicating that the organization used Supportive Housing Program (SHP) grant funds to pay for unreasonable, unnecessary, and/or ineligible expenses. The investigation determined the organization spent the SHP funds properly, as a result, this matter was administratively closed.</p>	Administratively Closed

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12/13/2017	A referral was received alleging that a HUD CPD employee in the Hartford (CT) Field Office illegally made contributions to FEC-regulated campaign fund(s), affecting a program receiving Federal Funds. The employee resigned during the investigation. The case was declined for prosecution and administratively closed.	Prosecution Declined
3/7/2018	A referral was received from a law enforcement partner who alleged fraud involving HUD-funded disaster assistance grants. The investigation revealed that five Superstorm Sandy CDBG-Disaster Relief recipients, who were also related to each other, lied on their applications to receive disaster assistance that they were not entitled to receive. All five individuals were charged with crimes and sentenced to pay restitution collectively of \$38,765.81 to HUD.	Successful Prosecution
1/23/2018	A referral was received alleging that a non-profit grantee that builds and/or rehabs homes for low-income families, submitted false statements to HUD in order to obtain Neighborhood Stabilization Program (NSP) funds. Allegedly, nine properties acquired by the non-profit were not properly vacated prior to entering into a contract with a subsequent seller/developer. The non-profit was responsible for ensuring that the buildings were vacant, foreclosed, or abandoned and for submitting statements supporting these facts to HUD. HUD OIG reviewed relevant records and determined that the allegations lacked merit. The matter was referred back to CPD for their administrative review and action, if warranted.	Administratively Closed
10/2/2017	A referral was received that alleged a Section 8 Project-based recipient had received FEMA Disaster Relief funds in NY, for a Section 8 apartment he claimed was damaged during Hurricane Irene and Superstorm Sandy, when in fact it was not. The recipient was criminally charged and ordered to pay restitution to FEMA.	Successful Prosecution

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12/4/2017	A referral was received that alleged from 2012 through 2016, a Direct Endorsement Lender subordinated its real estate appraisal function to the profit demands of its mortgage origination business in violation of federal regulations and its own company policies. It was further alleged that the lender's officials applied pressure to the appraisal group to artificially inflate home appraisals during the FHA loan origination process. After a review of relevant records, HUD OIG could not substantiate that the appraisals were, in fact, inflated. Additionally, the lender had an insignificant delinquency/foreclosure rate. This matter was referred to HUD's Homeownership Center for their administrative review and action, if warranted.	Referral to HUD
12/5/2017	A referral was received alleging that the property manager at a multifamily housing development in NJ had attempted to bribe a REAC inspector after the inspection was completed. The allegation could not be substantiated; as a result, the investigation was administratively closed.	Allegation Unsubstantiated
3/7/2018	A referral was received alleging that a senior employee of a Rhode Island non-profit entity embezzled funds from several HUD grants given to the entity. The allegation could not be substantiated; as a result, the investigation was administratively closed.	Allegation Unsubstantiated
11/1/2017	A referral was received from a law enforcement partner alleging that an applicant might have falsified information on their application to HUD so that she could receive the benefit of a \$10,000 grant. The allegation could not be substantiated; as a result, the investigation was administratively closed.	Allegation Unsubstantiated
2/22/2018	A referral was received that alleged an employee of a local housing authority embezzled approximately \$91,576 from the HUD-funded Family Self Sufficiency Program. The employee was terminated from their position. The former employee was charged, pled guilty, and sentenced in US District Court to serve three months incarceration, 12 months supervised release, and ordered to pay the housing authority \$92,877 in restitution.	Successful Prosecution

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3/20/2018	A referral was received alleging that a grantee that serves the homeless might have inflated the number of people it served in its shelter beds program. The grantee also received funding from the City of New York. The City of New York conducted a comprehensive review of the grantee's operations and compliance with program rules. The investigation determined that HUD funds were not involved in the specific allegation regarding the grantee's shelter beds program. The allegation could not be substantiated; as a result, the investigation was administratively closed.	Administratively Closed
3/13/2018	A referral was received from a local Housing Authority alleging that a Section 8 recipient failed to report that her live-in boyfriend resided with her. Furthermore, since the live-in boyfriend was a police officer, the tenant willfully underreported her household income in order to receive the benefit of extra rent subsidies she was not entitled to receive. Both the tenant and police officer were criminally charged and sentenced to pay restitution to HUD of \$134,224.	Successful Prosecution
10/24/2017	A referral was received alleging that a New York grantee might have misused CDBG funds when they made mortgage payments for a structure on private property using the Section 108 Loan Guarantee Program. The investigation determined that the grantee did not violate any program rules or regulations. The investigation was administratively closed.	Allegation Unsubstantiated
10/5/2017	A referral was received from a former employee of an IT contractor alleging that he had been terminated following a "protected disclosure" of misconduct. The investigation did not establish a causal relationship between the alleged "protected disclosure" and an adverse personnel action. The investigation was administratively closed.	Allegation Unsubstantiated
3/1/2018	A referral was received from a housing authority alleging that Housing Choice Voucher Program applicants purchased fraudulent vouchers from individuals who may or may not be associated with the housing authority. It was alleged that applicants paid between \$450 to \$1,000 to obtain housing vouchers. The allegations were unsubstantiated. The case was declined for prosecution. The investigation was administratively closed.	Prosecution Declined

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1/16/2018	A referral was received alleging that a HUD Employee misused government time in that they were working for an outside business while on government time. The HUD Employee admitted misusing government time and equipment. As a result, administrative action was taken against the subject by HUD.	Employee Administrative Action
11/14/2017	A referral was received alleging that an individual applied for and obtained a \$10,000 HUD funded disaster assistance grant. These funds were received for a damaged property address (DPA) in NJ that was not the subjects primary residence at the time of Hurricane Sandy. Eligibility requirements for the grant states that homeowners must have owned and occupied the DPA as their primary residence at the time of the storm in order to qualify. The OIG, working jointly with state law enforcement, confirmed that the DPA was not owned by the subject at the time of the storm. The subject was charged with Theft and other charges and subsequently entered into a Pre-Trial Diversion program for repayment of the \$10,000 in HUD funds.	Successful Prosecution
11/1/2017	A referral was received alleging that an individual applied for and obtained a \$10,000 HUD funded disaster assistance grant. These funds were received for a damaged property address (DPA) in NJ that was not the subjects primary residence at the time of Hurricane Sandy. Eligibility requirements for the grant states that homeowners must have owned and occupied the DPA as their primary residence at the time of the storm in order to qualify. The OIG, working jointly with state law enforcement, confirmed that the DPA was not owned by the subject at the time of the storm. Additionally, the subject fraudulently received approximately \$23,800 in FEMA disaster funds. The subject was charged with Theft and other charges and subsequently entered into a Pre-Trial Diversion program. The OIG determined the loss to HUD to be \$10,000.	Successful Prosecution

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3/1/2018	<p>HUD OIG received information alleging that a housing authority committed financial fraud, failed to report child abuse within its properties and that management abused their authority by firing housing authority employees without justification. It was further alleged that the housing authority neglected to adhere to HUD Rules and Ethics. HUD OIG did not find any evidence to substantiate allegations that housing authority officials violated HUD rules. Coordination was done with the local police department and they did not have any reports filed or cases initiated involving child abuse allegations. A housing authority employee admitted to helping with a mayoral campaign in 2013, however, this employee stated she was not coerced by anyone to work on the campaign. This case was declined for prosecution and was subsequently closed.</p>	Prosecution Declined
10/3/2017	<p>A referral was received alleging that a Section 8 Housing Choice Voucher Program (HCVP) landlord resided in a subsidized unit that they also owned/rented to their girlfriend. The investigation corroborated the allegation and determined that between August 2009 and August 2015, the landlord collected approximately \$82,000 from a HUD funded housing authority. The former landlord pled guilty and was sentenced to 10 years incarceration; all but 37 days were suspended, and was ordered to pay restitution to HUD in the amount of \$10,000.</p>	Successful Prosecution
10/2/2017	<p>A referral was received from a local Housing Authority (HA) alleging that a Housing Choice Voucher Program (HCVP) participant failed to report ownership of a second property in addition to the property for which she was receiving subsidies, a violation of HCVP regulations. The investigation confirmed the HCVP participant owned another residential property. The HA terminated the HCVP participant's program participation. The matter was presented for prosecution but declined.</p>	Prosecution Declined
10/23/2017	<p>A referral was received by a law enforcement partner alleging that a federal grant recipient filed false Hurricane Sandy damage claims for a property located in NJ, in order to receive disaster assistance from the Housing Resettlement Program (RSP) and the Rehabilitation, Reconstruction, Elevation and Mitigation (RREM) programs. The investigation corroborated the allegation that the damaged property was not their primary residence during Hurricane Sandy. The recipient pled guilty and was sentenced to 12 months Probation and ordered to pay restitution of \$72,163.14.</p>	Successful Prosecution

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12/7/2017	<p>A referral was received from a federal law enforcement partner reporting an alleged real estate fraud scheme involving foreclosed properties and a realtor. The investigation determined that from December 2013 to March 2015, the realtor identified vacant foreclosed Federal Housing Administration (FHA) and conventionally-insured properties then falsely represented to potential purchasers that they were authorized to sell the properties when they were not. The realtor kept the proceeds from the illegal property sales. The realtor provided some of the purchasers with fictitious agreements of sale and other sale supporting documents, such as deeds. A total of \$751,082.49 in stolen funds from the illegal sale of six FHA and other non FHA-insured properties were converted by the realtor and others for personal use. The realtor was sentenced in U.S. District Court to 51 months incarceration, 36 months supervised release and ordered to pay \$65,000 in restitution to the victims.</p>	Successful Prosecution
12/4/2017	<p>A referral was received alleging that a HUD employee falsified medical documents in an attempt to utilize the Voluntary Leave Transfer Program (VLTP), administered by HUD. The investigation determined that the HUD Employee did not defraud the VLTP. It was also alleged that the HUD Employee failed to obtain the proper approval to participate in the Emerging Leaders Program and failed to report their work status to their first line supervisor. This allegation was also unsubstantiated. Various records and e-mail correspondence confirmed that the HUD Employee's supervisors were aware of their whereabouts during the time in question. The facts of this investigation were presented to the U.S. Attorney's Office for the District of Columbia, for the potential prosecution. However, the case was declined. In addition, the case was referred to the Office of Chief Procurement Officer (OCPO) Washington, DC, for any action deemed appropriate. The OCPO office decided not to take administrative action against the employee.</p>	Employee Administrative Action

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10/27/2017	<p>HUD OIG received information alleging that a landlord/owner in the Housing Choice Voucher Program (HCVP) submitted a false lease to a Public Housing Authority to conceal a "side payment" arrangement with the assisted tenant in excess of the approved rent for the unit. The landlord subsequently counseled or encouraged the tenant to lie to HUD OIG investigators about the arrangement. A False Claims Act civil settlement was negotiated and the landlord pled guilty to charges of Witness Tampering as a result of the investigation.</p>	<p>Successful Prosecution</p>
11/20/2017	<p>A referral was received alleging that an employee in HUD's Real Estate Assessment Center (REAC), was abusing their position by preparing income tax returns during official duty hours. The anonymous complainant further alleged that the employee had been granted a reasonable accommodation (RA) to work exclusively from home, due to a medical condition. This investigation could not substantiate that allegation of abuse of official time made by the anonymous complainant, and the United States Attorney's Office subsequently declined criminal prosecution of this matter. The OIG was able to confirm that the employee was granted a RA to work from home due to a documented medical condition. The OIG investigation also discovered that the employee was regularly forwarding REAC financial data to his personal email account to facilitate printing the financial data for review. The OIG provided the REAC with its report of investigation, which resulted in the counseling of the employee by REAC management about refraining from forwarding REAC financial data outside secure HUD systems.</p>	<p>Prosecution Declined Employee Administrative Action</p>

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11/27/2017	<p>A referral was received alleging that an investor purchased a property using a “sweat equity purchase agreement” from a FHA Home Equity Conversion Mortgage (HECM) borrower. The investor recorded the deed transferring property ownership approximately fourteen months after the purchase. The investigation determined the investor violated no laws or regulations relating to the allowable time period(s) that a deed can be filed. The investigation could not substantiate if the investor conspired with the HECM borrower to submit false information on the borrower’s HECM loan application. The investigation determined that the HECM borrower failed to notify the mortgage servicing company that they sold their property. The HECM borrower also failed to notify the mortgage servicing company that they moved out of the property during the term of HECM loan. The terms of the borrower’s HECM loan required them to notify the mortgage company if they moved or sell their property. This matter was presented and declined for prosecution.</p>	Prosecution Declined
11/3/2017	<p>A referral from a New Jersey law enforcement agency alleged that an individual applied for and obtained \$160,000 in HUD-funded disaster assistance grants. These funds were received for a damaged property address (DPA) in NJ that was not the subject's primary residence at the time of Hurricane Sandy. Eligibility requirements for the grant state that homeowners must have owned and occupied the DPA as their primary residence at the time of the storm in order to qualify. The OIG, working jointly with state law enforcement, confirmed that the DPA was not owned by the subject at the time of the storm. Additionally, the subject fraudulently received approximately \$30,200 in FEMA disaster funds. The subject was charged with Theft and other charges and subsequently pled guilty and was ordered to pay \$190,213.83 in restitution and sentenced to 60 months’ probation. The OIG determined the loss to HUD to be \$160,000.</p>	Successful Prosecution

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2/27/2018	<p>A referral was received alleging that a HUD manager held a real estate salesperson's license and was actively working as a real estate agent, in violation of Title 5 Code of Federal Regulations § 7501.105. Title 5 CFR § 7501.105 prohibits HUD employees from employment with a business related to real estate, to include real estate brokerage, management, and sales. The investigation determined that the manager had held an active real estate salesperson's license since November 2007. The employee acted as a real estate agent for two property sales and six property lease transactions. The outside employment was not reported to the employee's supervisor or to HUD's Office of General Counsel. This matter was presented but declined for prosecution. The results of the investigation were referred to HUD management for whatever administrative action they deemed necessary. HUD management suspended the employee without pay for a period of 4.379 days.</p>	Employee Administrative Action
11/15/2017	<p>A referral was received from a local housing authority board member alleging that the housing authority executive director had misappropriated HUD funds through the use of an affiliated entity. HUD OIG's investigation determined that the involved entity did not receive HUD funds. During the course of the investigation, it was alleged that officials of the same housing authority may have steered a contract to a favored vendor. HUD OIG's investigation into those allegations revealed circumstantial evidence, which suggested that individuals may have conspired to manipulate the procurement. When HUD learned of the allegations, they disallowed the use of HUD funds to pay for the contracted services and told the housing authority to conduct a new procurement. The new procurement awarded the contract to a different firm. Due to the fact that no HUD funds were used and the suspect entity no longer held the contract, the case was declined for criminal prosecution.</p>	Prosecution Declined

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10/5/2017	A referral from a local Housing Authority (HA) alleged that a Housing Choice Voucher Program (HCVP) Landlord, continued to accept Housing Assistance Payments (HAPs) on behalf of his HCVP tenant who was incarcerated and no longer occupying the subsidized unit. The OIG investigation determined that landlord received HAPs on behalf of the tenant from June 2015 until August 2016, knowing that the tenant was incarcerated and no longer living in the unit. The landlord failed to inform the HA that the tenant was not occupying the unit, and rented the unit to another tenant while continuing to receive the HAPs. The landlord was criminally charged and ordered to pay the full restitution of \$17,710.00 to the HA.	Successful Prosecution
3/14/2018	HUD OIG initiated this investigation after proactively reviewing a sex offender registry and determined that an offender was the Head of Household of a unit at a HUD subsidized multifamily property. The offender admitted to not disclosing his registered sex offender status on his application for housing assistance. The offender was criminally charged and ordered to repay \$4,996.00 to HUD in lieu of prosecution.	Successful Prosecution
3/1/2018	A referral was received from a law enforcement partner involving a Housing Choice Voucher Participant. It was alleged that an individual diverted a vulnerable adult's funds in excess of \$1,200,000 for their own personal use. The subjects were sentenced and ordered to serve 5 years in jail and 5 years supervised release upon their release. They were also ordered to pay a restitution of \$60,000 to the victim's estate.	Successful Prosecution
10/5/2017	A referral from a New Jersey government agency alleging that an individual applied for and obtained \$74,000 from a HUD-funded disaster assistance grant. These funds were received for a damaged property address (DPA) in NJ that was reportedly not the subject's primary residence at the time of Hurricane Sandy. Eligibility requirements for the grant state that homeowners must have owned and occupied the DPA as their primary residence at the time of the storm in order to qualify. The OIG, working jointly with state law enforcement, could not substantiate the allegations in this case. This matter was referred to HUD for administrative action, if appropriate, and the case was administratively closed.	Allegation Unsubstantiated

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1/12/2018	A referral was received from the HUD Quality Assurance Division alleging that a loan officer created fraudulent documents and made false statements in the creation of a HECM loan for a family member. The HECM loan had been paid off, as a result there was no loss to HUD. This matter was administratively closed.	Referral to HUD
3/15/2018	A referral was received from a local Housing Authority (HA) that alleged a landlord was renting a subsidized property to an immediate family member, in violation of the HA Housing Assistance Payment (HAP) contract. The investigation corroborated the allegation and the landlord was subsequently sentenced in State District Court to 12 months probation and ordered to pay restitution of \$8,366 to the local HA.	Successful Prosecution
3/1/2018	HUD OIG initiated a proactive effort wherein they cross checked addresses found on the Virginia State Police's (VASP) Sex Offender Registry (SOR) against addresses that receive HUD Public Housing assistance. Referrals to pertinent housing authorities resulted in the termination of assistance for twenty-four Housing Choice Voucher Program (HCVP) participants due to registered sex offenders residing within the HUD assisted units. HUD OIG referred eight sex offenders to the VASP for potential false statements made on sex offender registry re-certifications. The investigation determined HUD paid approximately \$530,666 in assistance payments to participants that were ineligible as a result of allowing a registered sex offender to reside within their assisted units. In twenty of the terminations, the head of household did not disclose to HUD that the sex offender was residing within the unit. In the remaining four instances, the sex offender was listed on HUD paperwork as residing within the unit. In these four instances, the sex offender failed to report his status as a registered sex offender.	Successful Prosecution
11/21/2017	The OIG initiated this investigation after receiving a referral from a New Jersey law enforcement agency. This case was referred to another HUD OIG region since they were already working an investigation involving the subject in this case.	Referral to HUD
1/11/2018	A referral was received alleging that a HUD manager was stalking another HUD employee. In addition, it was alleged that this same HUD manager was having members of their assigned staff conduct personal favors for them, on and off duty. The investigation did not substantiate the allegations and was closed.	Allegation Unsubstantiated

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2/26/2018	<p>A referral by a local Housing Authority alleged that a Section 8 tenant may have concealed his marriage to his landlord. The investigation confirmed the allegations, and confirmed that the tenant and landlord previously owned the property together, but the tenant quit claim deeded his interest in the property prior to signing a lease agreement with the housing authority in order to conceal his relationship with the landlord and ownership interest in the property. The tenant and landlord were charged in US District Court and pled guilty to Theft of Public Funds. The tenant was sentenced to 5 months' incarceration followed by 24 months' probation, and the landlord was sentenced to 36 months' probation and ordered to pay \$81,825.95 in restitution to HUD.</p>	Successful Prosecution
2/2/2018	<p>A referral was received alleging that a local construction company defrauded the VA and HUD by obtaining fraudulent Performance and Payment Surety Bonds for projects. The VA project (parking garage) was contracted out for \$6.9 million which was never finished by the construction company. The investigation revealed the bonding company's business locations are "shell" addresses. To date, two housing authorities contracted with the construction company. Seven individuals were prosecuted and over \$3,900,000 in restitution was ordered by the court.</p>	Successful Prosecution
3/30/2018	<p>HUD-OIG's Office of Audit conducted an audit of a Section 232 Residential Care Facility in Florida, and discovered what appeared to be unsupported expenditures in violation of the facility's regulatory agreement. The investigation revealed over \$350,000 in unsupported or ineligible expenditures, and the facility defaulted on its Section 232 mortgage, causing a loss to HUD of approximately \$4.8 million. Criminal prosecution was declined by the US Attorney's Office, however, the former owners of the facility entered into a civil settlement with the US Attorney's Office for \$48,000.</p>	Successful Prosecution

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10/19/2017	<p>A referral from HUD's Quality Assurance Division alleged investors recruited straw buyers to purchase properties as their primary residences as well as paying the straw buyers kickbacks for use of their credit. The investigation yielded three individuals involved in the fraudulent transactions. Two of the 3 individuals were indicted and pled guilty. One subject was sentenced to serve 12 months and 1 day in Federal Prison, 3 years of supervised release and ordered to pay \$90,000 in restitution. The other subject was sentenced to serve 12 months and 1 day in Federal Prison, 36 months of supervised release and ordered to pay \$206,152.71 in restitution.</p>	<p>Successful Prosecution</p>
3/26/2018	<p>An investigation was conducted to address a local news report concerning tenant complaints about backed up sewage water in bathrooms, bug infestations, leaks in roofs, busted water pipes in ceilings, mold and mildew buildup, and unserviceable heating and air conditioning units. The investigation was unable to prove the Project ownership committed any criminal violations by submitting a certification to the Department regarding the property's physical condition, relative to safe, decent, and sanitary housing at the Section 8 subsidized Project. Although the investigation did substantiate some of the information received, the matter was ultimately declined for prosecution.</p>	<p>Prosecution Declined</p>
2/16/2018	<p>A referral from a Housing Authority (HA), alleged that an executive director misappropriated funds by operating a personal catering business. The investigation determined that the executive director did not embezzle funds in the capacity of an executive director. The investigation was presented to the United States Attorney's Office but was declined for prosecution. Based on the above information, no further investigation was warranted and the case was closed.</p>	<p>Prosecution Declined</p>

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2/2/2018	<p>A referral from HUD alleged an Executive Director (ED) was stealing Housing Authority supplies and the ED was conducting improper procurement activities and change orders relating to a housing project. The investigation was unable to identify any procurement impropriety associated with the contracts and the project has been completed and the units are on-line servicing the residents. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
2/6/2018	<p>A referral by a local Housing Authority (HA) alleged that a Housing Choice Voucher (HCV) Program tenant was a co-owner of the property for which the HA was paying HCV subsidies. The investigation confirmed the allegations and revealed the landlord and tenant were sisters. The HA paid the subjects over \$46,000 in HCV subsidies to which they were not entitled. The tenant and landlord pled guilty and were sentenced to 10 years' probation and ordered to pay \$46,630 restitution to HUD.</p>	Successful Prosecution
2/16/2018	<p>A referral from HUD's, Office of Field Policy and Management, relayed information that all staff who were employed at a housing authority were terminated. The part-time technician of the housing authority was arrested for terroristic threatening of the housing authority maintenance supervisor. The referral alleged that the executive director was aware that the part-time technician was trading housing authority equipment in exchange for drugs. The investigation determined that the executive director was in a sexual relationship with the part-time technician. The director knowingly hired the technician even though the social security number that was supplied was false. Further investigation determined that the part-time technician was receiving social security benefits under their true identity. It was also determined that the executive director was paying the technician while he was in jail and in the hospital. The executive director claimed the board had approved salary increases when in fact they did not. The executive director also used housing authority funds to purchase food, prescriptions, and other items that were not authorized. The part-time technician pled guilty to Theft of Government Funds, Social Security fraud, and Aggravated Identity Theft and was sentenced to 42 months in prison.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
12/18/2017	<p>A referral from the Miami Beach Community Development Corporation (CDC) alleged that an unknown individual had improperly accessed the CDC's bank accounts with Bank of America and initiated a transfer of approximately \$20,000 from a HOME project account to the CDC Operating Account. Then three fraudulent checks were drawn on the CDC Operating Account and cashed in Baltimore, Maryland. The Miami Beach CDC's Operating Account was made whole by the financial institution. The matter was presented for prosecution but declined. Based on the above information, no further investigation was warranted and the case was closed.</p>	<p>Prosecution Declined</p>
2/26/2018	<p>A referral from a Housing Authority employee alleged that a former administrator of a Housing Authority may have abused the sick leave policy, placed families in the public housing program in violation of federal regulations and housing authority policy, and used the housing authority eviction attorney for their own personal real estate attorney, which is a conflict of interest. The investigation determined that the administrator did not abuse the sick leave policy, did not place family members in subsidized housing as alleged, and did not use the housing authority attorney for personal uses as described in the complaint. Based on the above information, no further investigation was warranted and the case was closed.</p>	<p>Prosecution Declined</p>
3/12/2018	<p>A referral was received alleging that a landlord, involved with the Housing Choice Voucher Program, was renting to his mother. The landlord and his mother were terminated from the Housing Authority Section 8 program. The matter was presented for prosecution but declined. Based on the above information, no further investigation was warranted and the case was closed.</p>	<p>Prosecution Declined</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/16/2018	<p>A referral from another law enforcement partner alleged a former Chief Financial Officer (CFO) for an HMO had misappropriated the HMO funds, specifically receiving kickbacks off the HMO contracts and misusing the HMO credit cards for personal gain. The former CFO was initially hired by the HMO as an Auditor and then promoted to Chief Accountant, then Controller, and then CFO. The CFO was dismissed from the HMO for unacceptable personal conduct and making unauthorized purchases with the HMO credit cards. The HMO is funded by both HUD and HHS. The CFO was sentenced to 42 months incarceration, 36 months supervised release, and ordered to pay \$738,100 to the HMO and to IRS.</p>	Successful Prosecution
2/13/2018	<p>This investigation was opened parallel to another HUD OIG investigation to record investigative activities in the State of Florida. All activities conducted under this case have been incorporated into the parallel case and this case was administratively closed.</p>	Administratively Closed
11/2/2017	<p>A referral from HUD's Quality Assurance Division (QAD) alleged property flipping associated with an FHA-insured mortgage sold in a short sale for \$68,000. The investigation revealed that the purchaser at short sale resold the subject property on the same day for \$85,000, an increase of \$17,000. Due to the rapid resale of the subject property, it appears that the mortgagee did not receive the best or highest offer at short sale. The purchaser of the aforementioned short sale also purchased another FHA-insured property and sold that one in the same day as well. Both transactions for the same day flips involved the same settlement agency and the purchaser's mother was involved in both transactions as a real estate agent assistant/short sale coordinator. In both of the aforementioned transactions, no violations of HUD's Pre-Foreclosure Sale program rules were identified. The case was presented to the United States Attorney's Office and the case was declined for prosecution. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
12/26/2017	<p>During proactive case development, it was identified that a mortgage loan processor originated a loan for a borrower using falsified financial information. The loan processor utilized bank statements from the borrower that appeared to be altered. After further investigation, it was determined that the borrower did not hold a bank account at the bank that was used to qualify them for the loan. The loan processor pled guilty to 4 counts of 18 U.S.C. 1014. The loan processor was sentenced to 30 days incarceration to be followed by a period of 3 years supervised release and ordered to pay a judgment of \$11,292.45. The loan processor agreed to be debarred for 3 year's as part of the plea agreement.</p>	Successful Prosecution
11/16/2017	<p>A referral from a Housing Authority (HA) alleged the former Client Services Director made unauthorized personal charges on the PHA credit card on a regular basis between the period of 2014-2016. The investigation determined that the former employee did use the HA credit card for personal use and the investigation revealed a total loss of approximately \$90,000. The former employee was sentenced to 10 months in federal prison followed by 3 years probation.</p>	Successful Prosecution
12/6/2017	<p>A referral was received alleging that a Borrower applied for an FHA Loan and, during the process, the borrower received a gift letter in the amount of \$15,000 from a relative. After closing on the FHA property, the borrower was arrested for living in and operating a marijuana grow house. The investigation was unable to determine any criminal violation committed during the purchase of the FHA insured property. Based on the above information, no further investigation was warranted and the case was closed.</p>	Allegations Unsubstantiated
2/22/2018	<p>A referral from another federal law enforcement partner provided information alleging that a former federal government employee was residing in a Multifamily complex that receives rental subsidy from HUD and did not truthfully report their income during the application process. The investigation corroborated the allegations and the former federal government employee was sentenced to 24 months incarceration and 1 year of supervised release.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/25/2017	Information was received from an article published by a local online periodical alleging that a HUD-subsidized multifamily apartment complex was billing HUD for vacant Section 8 units. It was further alleged that the management company was aware of this fraudulent billing to HUD. The manager was terminated from employment for failure to perform their duties as a manager. The investigation was unable to substantiate allegations of false claims knowingly submitted to HUD. Based on the above information, no further investigation was warranted and the case was closed.	Allegations Unsubstantiated
1/10/2018	A referral from a Housing Authority alleged a subsidy program recipient reported and submitted fraudulent income documents to obtain Section 8 Housing Choice Voucher program assistance. The investigation determined the recipient had been on the program for many years and falsely reported marital status as well as family member employment incomes. The recipient was terminated from program participation and repaid \$9,272 to the Housing Authority.	Prosecution Declined
2/16/2018	A referral from a Housing Authority (HA) alleged that an employee of the HA embezzled and misappropriated funds by utilizing HA credit cards to make unauthorized purchases. The investigation determined that the employee was not authorized to utilize the HA credit cards to make unauthorized purchases. The employee was sentenced in U.S. District Court to 24 months of probation with 180 days on home confinement, 40 hours of community service, \$100.00 special assessment fee and \$36,604.88 in restitution.	Successful Prosecution
10/16/2017	A civil referral from the Department of Justice alleged that a mortgage company may have knowingly originated and submitted fraudulent home loans to HUD and Fannie Mae. The investigation determined that the mortgage company did not knowingly originate and submit fraudulent home loans. Based on the above information, no further investigation was warranted and the case was closed.	Allegations Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
11/24/2017	<p>A referral from a federal law enforcement partner alleged that a mobile home seller with an in-house FHA-approved lender engaged in fraudulent conduct in order to qualify borrowers for loans and sell them mobile homes. Allegations included misrepresenting borrower credit scores in order to charge higher interest rates, adjusting prices of homes solely for the use of down payment assistance or loan rate discounts, and use of subject controlled third parties to pay off borrower debts in order to make the borrower appear more credit worthy by underwriting standards. The investigation revealed that the seller and lender have training and policies which demonstrate compliance with the Dodd-Frank Act regarding fair lending, as well as policies regarding pricing and seller concessions that are compliant with regulations. The investigation revealed no evidence corroborating initial allegations. Based on the above information, no further investigation was warranted and the case was closed.</p>	<p>Allegations Unsubstantiated</p>
1/10/2018	<p>A referral from the HUD Quality Assurance Division alleged that a Loan Officer had mishandled several loan transactions. The initial investigation revealed the questionable handling of the loan officer's mother in law's townhome purchase; however, it failed to corroborate wrong doing on behalf of the loan officer. Based on the above information, no further investigation was warranted and the case was closed.</p>	<p>Allegations Unsubstantiated</p>
2/12/2018	<p>A referral from HUD alleged a landlord requested sexual favors on several occasions from a housing choice voucher program participant in lieu of money for repairs. The investigation failed to corroborate the allegation; however, this matter was referred to the Office of Fair Housing and Equal Opportunity, HUD, for any action they deem appropriate.</p>	<p>Referral to HUD</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/10/2018	A referral was received alleging that the former Executive Director of an out of state Housing Authority (HA), who had been previously convicted of embezzling funds from the HA, was now working for a local PHA in Florida. The investigation revealed that the former Executive Director pled guilty to Theft of Public Funds in May 2015 and was hired by a local PHA in Florida in May 2017. The investigation also revealed that the former Executive Director disclosed the prior conviction on her application for employment at the HA. This matter was declined for prosecutorial consideration; however, it was referred to HUD for any remedy they deem appropriate.	Referral to HUD
2/23/2018	This case was proactively developed through the Neighborhood Watch and Single Family Data Warehouse systems. The queries identified a lender with an 11.35% seriously delinquent and claim ratio, which was an abnormally high ratio when compared to other similarly-sized lenders. Further investigation revealed that, despite the high delinquency rate, there were few insurance claims filed with HUD and there was insufficient nexus to establish venue in this Region. This investigation was administratively closed.	Administratively Closed
10/16/2017	A referral was received that alleged a reprisal termination by the Executive Director of a local Housing Authority. The Complainant did not cooperate with OIG during the course of the investigation. The allegations could not be substantiated and the investigation was closed.	Allegations Unsubstantiated
2/5/2018	This matter was opened based upon an article from a local newspaper which reported that tenants associated with a Section 8-funded property may be living in unsafe conditions due to on-going construction and/or renovations at the property. The investigation revealed that tenants had been evacuated from the buildings at different times due to Hurricane Irma as well as a scheduled major construction project. The investigation also revealed possible duplicate payments of HUD Section 8 Housing Assistance Payments and FEMA Transitional Shelter Assistance for some tenants. This matter was referred to HUD OIG's Office of Audit to identify any duplicate payments and to quantify the loss to HUD.	Referral to HUD

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/23/2017	<p>A referral from the HUD, Homeownership Center, alleged that the buyers (husband and wife) of an FHA insured property used a fraudulent employer when applying for an FHA insured mortgage in 2007. The pay stubs did not reflect the appropriate FICA and Medicare tax deductions at the 7.65% level. The borrowers actually refinanced the property and received more than \$100,000 in proceeds. In 2010, the borrowers sold the property via a short sale and failed to adhere to the rules and regulations. The sale was not an arms-length transaction and the end buyer was a close friend of the borrower's father. The husband and wife were charged in state court with Financial Institution Fraud. The wife pled and was sentenced to 2 years probation. The husband pled and was sentenced to 2 years incarceration.</p>	Successful Prosecution
12/27/2017	<p>A referral from the HUD OIG Hotline alleged that a single borrower was a straw buyer for multiply FHA Loans in the local area. The borrower applied for an FHA loan to purchase a property but it was discovered at the closing that the borrower had several outstanding loans. The loan application was denied, however, another lender requested the FHA number to be transferred to them and the loan was subsequently approved. It was later discovered that the borrower's sister was also involved in the scheme, in which, she provided false employment information, inflated income, understated liabilities, falsely indicated she would be occupying the property as a primary residence and falsely stated she owned no other properties in the last three years. Two other individuals were involved, one a loan officer, in which they created loan applications which knowingly contained false information including employment, assets, and liabilities, as well as residency requirements. All were convicted and their sentences ranged from probation to incarceration.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/26/2018	<p>A referral was received alleging that three individuals with ties to numerous real estate transactions allegedly used strawbuyers and false appraisals to obtain properties. Various documents allegedly showed these individuals used their ownership in a real estate office, title company, and management company to obtain and produce numerous fraudulent loans. This group of individuals aligned themselves with another prominent real estate family in which both groups found individuals to facilitate the fraud. These associates ranged from loan officers to appraisers to people recruiting buyers. Three individuals were charged with multiple counts of wire fraud and were sentenced to incarceration and ordered to pay restitution. These individuals were responsible for the fraudulent origination of 23 loans that totaled more than \$7 million in mortgage loans. In addition to these individuals being charged, a branch manager of a title company used her position to make fraudulent disbursements to different individuals and corporations to obtain money for herself. She was charged, pled and was sentenced to 2 years' probation and ordered to pay \$167,880.56 in restitution.</p>	Successful Prosecution
10/20/2017	<p>A referral from a mortgage company alleged a single family mortgage fraud scheme pertaining to fraudulent loans involving at least three FHA insured mortgages. Straw buyers were used to obtain the mortgage loans with employment that could later not be verified and bank statements that appear to have been created. Loan applications and/or W-2 forms were faxed from a number belonging to a credit company. Seven (7) individuals were indicted and sentenced. Individuals include property managers, a landlord, a borrower, a loan officer, and a recruiter. Sentences range from 2 years probation to 2 years in federal prison with restitution approximately 1.3 million.</p>	Successful Prosecution
12/11/2017	<p>A referral was received that alleged numerous recipients of the Housing Choice Voucher Program were simultaneously receiving emergency assistance from FEMA. Specifically these tenants received numerous disaster assistance checks from FEMA claiming they were displaced by natural disasters in the Chicago area. While receiving FEMA assistance, the tenants continued to receive HCV assistance. The investigation resulted in thirty-one individuals being prosecuted for fraud and over \$100,000 being ordered in restitution.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/15/2018	<p>A referral from HUD's Quality Assurance Division alleged that an investor participated in a short sale property "flopping" transaction involving an FHA insured home in Indiana. It was further alleged that the investor purchased the FHA insured home from a major bank in a short sale transaction through their LLC and then sold the home to another buyer on the same day for considerable profit. The investor allegedly concealed information from the bank, thereby defrauding the Bank and FHA. The allegations could not be substantiated and the case was declined for prosecution.</p>	<p>Prosecution Declined</p>
2/2/2018	<p>A referral by a law enforcement partner alleged that an individual is fraudulently collecting housing assistance payments (HAP) as a landlord for a property located in a city in Illinois. It is believed that the individual follows sovereign citizen ideals and a review of the deeds recorded with the County for the aforementioned property indicate filings consistent with those of sovereign of freeman ideology. This individual's property was foreclosed on by a local bank on June 23, 2008, with a Judicial Sales Deed occurring on January 9, 2009. As a result of the foreclosure, the ownership of the property was transferred from this individual to a Home Loan corporation. However, this individual continued receiving HAP payments as a landlord from April, 2008 to present. The landlord was acquitted during a bench trial and subsequently this matter was closed.</p>	<p>Prosecution Declined</p>
12/5/2017	<p>A referral from the HUD homeownership center (HOC) alleged that a borrower and co-borrower provided multiple false statements when obtaining their FHA insured loan in August 2008. Specifically, the indictment alleges that a loan officer at a mortgage company engaged in a mortgage fraud scheme utilizing falsified loan documents. The loan officer assisted in selling his brother-in-law's property to 2 borrowers who did not qualify for an FHA insured loan. The loan officer assisted these borrowers by providing false employment documents and false income in order to get the borrowers qualified for the loan. The borrowers obtained an FHA insured loan, failed to make any mortgage payments, and defaulted on the loan causing a loss to HUD. The loan officer pled guilty and was sentenced to 1 year in prison and ordered to pay court costs and a fine.</p>	<p>Successful Prosecution</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/20/2018	<p>A referral from another federal partner alleged that an employee from a county Recorder of Deeds office had accepted a bribe in exchange for back dating a deed relating to a victim's deceased parents' property. HUD OIG was requested to assist in determining if the county employee(s) would back date the property or otherwise alter, forge or create false documents in exchange for a bribe. The investigation disclosed that a clerk for the county solicited and accepted a cash payment from a cooperating witness in exchange for preparing a fraudulent, backdated quit claim deed for a local property and agreeing to record the deed with the county. The county employee was subsequently charged with mail fraud and wire fraud, pled guilty to mail fraud, and was sentenced to probation and community service.</p>	Successful Prosecution
10/23/2017	<p>A referral from a title company alleged suspicions of fraud concerning several property transactions. Several properties were purchased by an LLC or Corporation from a bank for under \$10,000 and then quit claimed to an individual at a later date. The individuals who purchased the properties were seniors. Within days of the purchase, liens were then filed on the properties in the names of LLC's or Corporations by the same companies/LLC that sold the property to the seniors. One property then had a HECM issued with the lien being paid off. It was later learned that a loan officer and processor originated reverse mortgage loans that contained false information. Two other individuals transferred properties via a quit claim deed to seniors and then filed mechanic's liens on the properties to collect money at the closings of reverse mortgages obtained by the seniors. The case was declined for prosecution and closed.</p>	Prosecution Declined
3/23/2018	<p>A referral from a local Housing Authority (HA) alleged that a regional property manager of a management company was awarding contracts to a contractor whom she allegedly had a personal relationship. The property manager is the manager of several HA owned properties. The contractor is the owner of a painting company. It was further alleged that that the property manager was awarding the contracts to the contractor without following the bidding process and during pre-bid conferences, the contractor always had information about the construction projects that was not available to the other contractors. The case was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/23/2018	A referral from the U.S. Attorney's Office alleged a violation of the False Claim Act. Specifically, it was alleged a law firm illegally retained their clients' refunded court costs at the conclusion of foreclosures, thereby causing the holders of the federally insured mortgages to submit mortgage insurance claims that falsely reported the amount of court costs. Investigation determined the law firm did withhold costs and initially agreed to a settlement. However, the United States Attorney's Office declined to intervene when HUD Office of General Counsel did not respond to the U.S. Attorney's Office regarding a settlement agreement.	Prosecution Declined
2/15/2018	A referral from the HUD OIG Hotline alleged that an Indiana company was engaged in mortgage fraud by operating as a down-payment assistance company on multiple FHA insured mortgages. An investigation revealed that the company was providing down-payment assistance to FHA insured purchasers and made it appear the funds were originating from the buyers employer when actually the funds were provided by the seller. The findings of the investigation were presented for civil and criminal prosecution but was declined for prosecution.	Prosecution Declined
12/8/2017	A referral was received alleging that an individual involved in a foreclosure prevention business targeted victims involved with foreclosures in Ohio and Pennsylvania. The victims were solicited by mail and the solicitation included their "HUD Rights." The victims called the number on the post card and spoke to a female who advised them she was affiliated with HUD and would assist getting the victims' property out of foreclosure. According to the victims, the female advised the victims to mail their monthly mortgage payment to a foreclosure company and she would act as a liaison with the lender and would handle the mortgage payment on behalf of the victim. Some victims later discovered the lender never received any of the money that was sent to the foreclosure company and a result they lost their home. This case was declined for prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/5/2018	A referral from a local Housing Commission alleged a Housing Choice Voucher tenant and landlord were married and residing in the assisted home together. It was further alleged the couple concealed various sources of income and additional household members. The investigation revealed that the tenant and landlord never disclosed their marriage to the Housing Commission and failed to report multiple income sources from employment, child support, and unemployment benefits. One subject was charged with Welfare Fraud, pled guilty and was sentenced to one year probation and ordered to pay restitution in the amount of \$10,173.00.	Successful Prosecution
2/23/2018	A referral from a local alderman alleged that an individual, through their various organizations, was filing fraudulent deeds with the local county Recorder of Deed's Office for various properties in the Chicagoland area. It was further alleged that this individual illegally took possession of the properties and rented the properties to "squatters." The investigation revealed that this individual was not only renting the properties to squatters, but that he illegally obtained ownership of a bank-owned property and was actually residing in this property himself. The subject also conspired with other individuals known to be part of the Sovereign Citizen movement to file false deeds and cloud the title on six FHA properties. All four individuals were charged in state court and sentenced to incarceration.	Successful Prosecution
11/27/2017	A referral from another federal law enforcement agency alleged a title agency misappropriated loan payoff proceeds for both FHA and conventional mortgages. Specifically, between December 2012 through August 2014, the title agent closed 19 FHA insured and conventionally financed real estate transactions, but failed to pay the prior owners pre-existing mortgages. The title agent was sentenced to 60 months incarceration and ordered to pay \$2.479 million after previously pleading guilty to committing bank fraud.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/31/2017	<p>A referral from the local Attorney General's Office alleged that a center for abused women was fraudulently using monies provided to them by several different government agencies. Specifically, it was alleged that the director and her daughter directed employees to fill out false counseling forms to account for counseling hours the center is paid for but never conducted. The director and her daughter were charged with multiple counts, including financial institution fraud, loan fraud, wire fraud, forgery, and using charitable assets for personal use. The bookkeeper, who also served as the payroll clerk, was also charged for receiving multiple unauthorized payroll checks from the women's center. The Attorney General's Office claims the two women submitted false documents to the state to "obtain grant funding to provide fictitious counseling services to domestic violence victims." They are also accused of using false documents to get a \$100,000 loan to fund a salon. All three pled and were sentenced to probation.</p>	Successful Prosecution
12/27/2017	<p>A referral from a local Housing Commission alleged that a Housing Choice Voucher recipient was not residing in their assisted unit and was sub-leasing the unit to another individual. It was further alleged the tenant was married to their landlord and allegedly had a child in common. An investigation confirmed the initial allegations and both were charged and pled guilty to Theft of Public Funds. The landlord was sentenced to Pretrial Diversion and the tenant was ordered to serve three years' probation. Both subjects were ordered to pay restitution in the amount of \$64,839.00.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/23/2018	A referral from a local prosecutor's office alleged that a book keeper involved with a local Economic Development Corporation received HUD subsidy payments as a landlord in connection with 3 development corporation voucher recipients. The investigation revealed that the book keeper and her husband owned rental property which received HUD SNAP payments through the development corporation against HUD regulations. It was further learned that there were no internal policies or controls which prevented employees from participating in HUD programs. Several program participants were interviewed to include the corporation's HUD fund specialist. Although the specialist falsified program application information to enroll individuals who did not meet the "homelessness" criteria, no evidence was found that she personally profited in the form of kickbacks. The case was presented for prosecution but declined.	Prosecution Declined
10/24/2017	A referral from a local police department alleged that subsidized housing tenants passed counterfeit checks and defrauded the Housing Choice Voucher Program (HCVP) by providing false information on annual recertification's. Investigation determined a HCVP tenant failed to accurately report household composition on annual recertifications and received \$15,207 in Housing Assistance Payments they were not entitled to receive. The tenant was placed on Pretrial Diversion and ordered to pay \$7,500 in restitution.	Successful Prosecution
1/31/2018	A referral from a city inspector alleged fraud involving a Section 8 Landlord/Owner and a Section 8 tenant. It was believed that the landlord had been residing with the tenant for approximately four years. This case was declined for prosecution.	Prosecution Declined
12/13/2017	A referral was received by a County Community Development Administrator regarding possible fraud involving a former county employee. It was alleged that the former county employee falsified documents to show the environmental review was completed when in fact it was not done. HUD requires the county to complete and submit environmental reviews on each grant prior to the county committing HUD Community Development Block Grant funds. The case was declined for prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/30/2017	A referral from a local Housing Authority alleged that a Housing Choice Voucher Program (HCVP) recipient and their mother were residing in a property that they owned. At some point later in the investigation, the agents learned that the same HCVP recipient was also a subsidized tenant at a public housing site under an alias name. Although no information was found that this individual subleased the public housing unit, this "double-dipping" continued for more than five years. The agents obtained identification that showed the HCVP recipient used multiple identities to receive not only housing subsidy but also Social Security benefits. The loss to the government was over \$300,000. The HCVP recipient was arrested and charged in state court with theft and forgery and was sentenced to incarceration.	Successful Prosecution
10/18/2017	A referral from a local Housing Authority alleged that a Housing Choice Voucher Program (HCVP) recipient was married to and cohabiting with her husband, who was also the property landlord. The investigation revealed that the HCVP recipient was in fact married and the landlord was her husband. She purposely hid this information from the housing authority by the use of an additional Social Security number for reporting requirements. She also failed to disclose her income and that she was employed during this time. Both husband and wife were charged in state court with theft and state benefits fraud. They both pled and were sentenced to probation.	Successful Prosecution
1/5/2018	A referral from the HUD OIG Hotline alleged a mayor misused HUD Community Development Block Grant (CDBG) funds and appointed political supporters to positions of influence. The investigation could not substantiate the allegations. The matter was declined for prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/2/2018	<p>HUD OIG received a referral alleging a conflict of interest between a Sovereign Indian Tribe and a pseudo-tribal entity and that the pseudo-tribal entity received a contract to construct elder cottages on tribal land using HUD Native American Housing Development Block Grant funds and Native American Community Development Block Grant funds. In addition, it was alleged that the project was not appropriately bid out and that the pseudo-tribal entity unfairly received the contract. Further allegations stated that the former director of the tribal Development office, retired and took on a full-time position with the pseudo-tribal entity shortly after they were awarded the contract in excess of \$5,000,000. Additional allegations were received from law enforcement agencies concerning contractors within the Tribal Housing Authority misusing HUD grant funds for their own gain involving several non-HUD approved construction projects. As a result of the investigation the contractor pled guilty and was sentenced to six months of home confinement, restitution of \$5,810.10 and four years of probation for his role in embezzlement of HUD funds.</p>	Successful Prosecution
3/13/2018	<p>HUD OIG received a referral from a Housing Authority alleging that an owner/landlord was receiving Housing Choice Voucher (HCV) program funds as landlord and rented a unit to his mother and his sister. Documents also show that the home owner/landlord may be residing at the HCV funded unit as well. The investigation determined that the owner/landlord rented the HCV funded unit to his mother and sister, a violation of the HCV contract. The owner landlord received approx 5 years of HCV payments he was not entitled. The case was presented and declined prosecution.</p>	Prosecution Declined
1/29/2018	<p>HUD OIG received a referral from another federal law enforcement agency alleging that the seller of a single family home did not disclose the presence of lead based paint to the purchasers during the sale in 2014. The investigation determined that the real estate agent failed to provide lead paint hazard warning notice. The real estate agent was ordered to pay a \$1,000 fine and \$53,326.07 in restitution to the family after pleading guilty to a misdemeanor violation of failing to provide lead paint hazard warning notice.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/24/2017	HUD OIG received a referral from a U.S. Attorney's Office alleging a violation of the False Claim Act regarding low-income housing. The investigation determined a violation did not occur as the HUD rules cited were not in effect at the time contracts were entered into. The civil complaint was dismissed and prosecution was declined.	Prosecution Declined
3/2/2018	HUD OIG received a referral from a public housing authority alleging that a Section 8 Housing Choice Voucher Program Participant and landlord were involved in a dispute regarding the condition of the participant's unit. The landlord alleged that the participant operates a for profit company on the internet. Housing authority records reflect that the participant only reported Social Security Disability income. The matter was presented for prosecution but was declined.	Prosecution Declined
12/20/2017	HUD OIG received a referral from a contractor who alleged a company was awarded a HUD funded, no-bid contract for lead testing and abatement based on a friendship with a State employee. The investigation failed to show evidence of impropriety regarding the State employee. The case was declined for prosecution.	Prosecution Declined
11/15/2017	HUD OIG received a referral from a local Housing Authority that alleged an employee of the housing authority embezzled approximately \$5,600 worth of tenant rent payments during most of 2016. More specifically, some of the tenant's rent payments were not reflected in the authority's computer system, despite copies of rent receipts showing rent payments were made. The investigation disclosed that there were discrepancies between the Tenant Accounts Receivable Transaction Reports and payments reflected in the tenant rent receipt book. The investigation was unable to substantiate the allegations. The case was declined prosecution.	Prosecution Declined
3/2/2018	HUD OIG received a referral from a Public Housing Authority alleging that an owner and tenant participating in the Housing Choice Voucher Program violated their Housing Assistance Payment Contract by entering into an undisclosed side agreement wherein the tenant agreed to pay the owner a total monthly rent of \$1,400.00, which exceeded the approved contract rent of \$1,035.00 by \$365.00 per month. The matter was presented for prosecution and was declined.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/20/2018	HUD OIG received a referral from a Director of a Non-Profit alleging contract violations and fraud regarding another local Non-Profit that was executing services as a sub-grantee. The investigation determined that the referring Non-Profit was operating without a contract and that a conflict of interest may have existed between two parties. The matter was presented for prosecution and declined.	Prosecution Declined
1/4/2018	HUD OIG received a referral from a public housing authority alleging that a former employee embezzled the proceeds from the washer and dryer fund. It was estimated the former employee embezzled \$9,651 in funds. Investigative findings were presented for prosecution and was declined.	Prosecution Declined
3/20/2018	HUD OIG received a referral from a law enforcement agency alleging money laundering through the purchase of a single-family home. Specifically it was alleged proceeds from the sale of illegal drugs were used to purchase the home, assisted by a real estate agent in pooling money from multiple sources in order to conceal the source of the funds. The realtor allegedly received a kickback of \$2,000 for his role in the transaction. The investigation determined that numerous sources pooled funds together in order to purchase the property from HUD. More specifically, cash from narcotic sales in the amount of \$88,300 was used to fund the transaction. This case was worked jointly with another law inforcement agency. The matter was presented and was declined prosecution.	Prosecution Declined
12/20/2017	HUD OIG received a referral from a public housing authority alleging that a Housing Choice Voucher (HCV) recipient had an unauthorized person residing in their assisted unit and failed to report the total household income . The investigation determined that the unauthorized tenant had substantial income and the HCV recipient failed to report the income as required. The tenant was charged, pled guilty to Larceny by False Pretenses, and was ordered to serve a two year delayed sentencing, provided the defendant completes restitution payments ordered in the amount of \$11,374.	Successful Prosecution
12/5/2017	HUD OIG received a referral from a tenant alleging multiple violations against a property management company for an apartment complex. These allegations range from falsification of tenant files through lack of proper service by contracted security company. The case was presented for prosecution but was declined.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/29/2018	HUD OIG received a referral alleging that the management agent at a senior apartment complex embezzled tenant's rent payments and those of 150 other tenants, and management entered a tenants unit without permission. The tenant stopped paying rent after they learned they were being evicted for non-payment of rent, but has copies of money orders showing payment was made. The tenant's eviction was upheld in housing court. Investigation was unable to substantiate the allegations and the case was declined prosecution.	Prosecution Declined
1/30/2018	HUD OIG received a referral from a project based Section-8 management agent alleging that a tenant provided false information on annual recertification's. The investigation determined that the tenant failed to disclose employment income and received \$15,680 in housing assistance payments they were not entitled. The tenant was sentenced to three years community control and ordered to pay \$10,677 in restitution after pleading guilty to committing a theft.	Successful Prosecution
3/13/2018	HUD OIG received a referral from an anonymous source alleging that a project based section-8 tenant failed to disclose the death of their spouse. The investigation determined from November 2011 through June 2017, the tenant failed to report income received from the deceased spouse's supplemental security benefits and received \$38,510 in housing assistance they were not entitled and \$48,163 in fraudulent social security payments. The tenant was sentenced to two-years probation and was ordered to pay \$86,673 in restitution after pleading guilty to theft of government funds.	Successful prosecution.
12/7/2017	HUD OIG received a referral alleging that a Housing Authority Executive Director (ED) used a housing authority vehicle for personal use, assigned a housing authority vehicle to a new employee as part of their compensation package, awarded a \$50,000.00 contract to a company without receiving any competitive bids, falsified a timesheet involving his Executive Assistant when she was hospitalized, and signed off that the employee worked a 40 hour week when in fact, the employee was in the hospital. The matter was presented for prosecution and was declined.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/15/2018	HUD OIG received a referral from HUD alleging that a Housing Authority misused their capital funds to purchase a vehicle for the city government in which the Housing Authority resides. An investigation confirmed the initial allegation occurred but took place outside the Statute of Limitations for such an offense. The matter was presented for prosecution and was declined.	Prosecution Declined
11/30/2017	HUD OIG receive a referral from a realtor alleging that a lender paid residential home appraisers less than what is reasonable and customary in the industry. The investigation revealed that the realtor was unable to produce evidence to support the allegations. This matter was declined for prosecution.	Prosecution Declined
11/30/2017	HUD OIG received a referral from an anonymous source alleged that their were multiple Section 8 tenants who had unauthorized live-ins that are gainfully employed and have not notified the housing authority of these events. The matter was referred to the responsible housing authority for any action they deemed appropriate. This matter was administratively closed.	Referral to HUD
1/26/2018	HUD OIG received a referrral alleging that a mortgage company underwrote loans it knew did not comply with governmental loan requirements and knowingly and falsely certified to HUD and VA that the loans it submitted for FHA insurance and VA insurance met the government's requirements. Several examples of the mortgage company's fraudulent conduct include: improperly paid commissions to underwriters for each loan approved; pressured employees to approve ineligible loans; coached borrowers on how to submit information; utilized a management override policy to approve loans; inflated borrowers' income; failed to obtain bank statements for both, borrowers and gift donors; and excluded borrowers' debt obligations. This matter was referred to HUD departmental staff for any action they deemed appropriate and was administratively closed.	Referral to HUD

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/16/2018	<p>HUD OIG received a referral alleging that a Housing Authority Executive Director (ED) provided loans to people that could not repay them. The ED would then provide these people employment at the housing authority and took a portion of their pay in order to repay the loans. The ED allegedly used the housing authority credit card for personal use and he was reimbursed for bogus housing authority travel claims. The investigation revealed that the ED provided loans to a person, who later worked temporary jobs for the housing authority. This person was required to pay the ED from his housing authority proceeds. In addition, it was determined that the ED paid himself housing authority funds by way of issuing bank checks for alleged accumulated sick leave and annual leave. The ED was also reimbursed for travel that was not related to housing authority business and he used housing authority credit cards for personal use. The ED was indicted for 18 U.S.C. 641, Theft of Government Property.</p> <p>The case was later dismissed due to the discovery of new evidence in the ED's favor.</p>	Case Dismissed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/5/2017	<p>HUD OIG received a referral from a law enforcement agency alleging that a Mortgage company and its affiliated companies, along with its employees, and owner, violated provisions of the False Claims Act. The investigation revealed that the company directed branch managers and others to sign false certification to HUD on the Branch Certifications forms stating that the branch fully complied with all HUD/FHA requirements. HUD prohibits the practice of allowing branch managers to assume financial responsibility for their branches. However, it was the company's policy to require branch managers to enter into contracts for leases and services directly, thus assuming liability. The company's leadership signed false certifications, which were submitted to HUD, certifying that they had complied with HUD/FHA requirements for an adequate quality control program. The investigation resulted in a civil jury verdict against the company, its affiliated company's and its president/owner for its misrepresentation in connection with the FHA program. The federal judge elected to treble the jury's verdict and impose penalties for violations of the False Claims Act (FCA) and the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). The total judgment was \$298,498,325. The case also resulted in a settlement with the former Vice President of the company, which agreed to pay \$25,000 and to be removed from participating in the FHA program.</p>	Successful Prosecution
11/20/2017	<p>HUD OIG received a referral from an anonymous source alleged that a director of a city housing department, which receives HUD CPD funds, was paid a bribe. Supposedly, the director was given a portion of the funds that was paid to a consultant for the purchase of two properties. There was approximately \$4.4 million dollars provided to the city project from local bond money. The investigation revealed there were no HUD funds involved with the city project. There was no evidence found to substantiate the allegations that the director received kickbacks. The case was presented for prosecution but was declined.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
11/20/2017	HUD OIG received a referral from members of a public housing authority board alleging that a former Executive Director (ED) misused HUD funds. The investigation revealed that the ED used housing authority funds to purchase numerous lunches, gym membership, personal auto repairs, and a four wheeler. The ED was sentenced in US District Court to 6 months of incarceration and ordered to pay restitution in the amount of \$49,021.	Successful Prosecution
3/15/2018	HUD OIG received a referral from alleging that a Section 8 tenant allowed other people to reside in her subsidized unit without advising HUD or the apartment complex that she was incarcerated. The investigation determined that the Section 8 tenant was incarcerated for about 2 years and received \$14,000 in housing subsidies that they were not eligible to receive. The Section 8 tenant pled guilty in state court and was sentenced to court ordered fines and fees. The Section 8 tenant was terminated from housing assistance.	Successful Prosecution
1/9/2018	HUD OIG received a referral from a law enforcement agency alleging that a non-profit corporation was misusing grant funds and employees were accessing funds for personal expenditures. The entity received HUD funds as a sub-grantee of the state. The investigation determined that employees had paid for personal expenses such as entertainment tickets, cruise ship expenses, and family cell phone bills. As a result, an individual was sentenced to 13 months incarceration, 6 months home detention after incarceration, and ordered to pay \$84,308.00 in restitution.	Successful Prosecution
10/2/2017	HUD OIG received a referral from HUD's Quality Assurance Division alleging that the owner of a Mortgage Assistance Relief Service had taken mortgage payments and did not send the payments to the intended lender. The investigation determined that the owner misled numerous victims into paying monthly "mortgage payments" that were never provided to their lenders, and were in addition to their upfront fee. The owner told the victims that they needed to make the mortgage payments in order to show "good faith" to the lenders and to remain in the loan modification process. The owner spent the victims' monies on personal expenses such as car, house, and child support payments. The owner was sentenced in state court to five months incarceration and ordered to pay restitution of \$41,725.05 back to the victims.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
12/19/2017	<p>HUD OIG received a referral from the Government National Mortgage Association (Ginnie Mae) that provided notice to the Office of Inspector General that it had initiated default proceedings against a Home Mortgage Servicing Corp. (Servicer) due to its inability to meet its pass-through obligations. Specifically, the Servicer provided notice that it would no longer be able to provide the principal and interest payments to its security holders as required by the Guaranty Agreements. Servicer's chairman provided notice to Ginnie Mae that he would not meet its pass-through of principal and interest payments to its security holders according to the terms of the Guarantee Agreements. As a result, GNMA terminated the Servicer's ability to issue securities and terminated its rights in the existing pools. At the time of the default, the Servicer had active loans with a remaining balance of approximately \$48,000,000. Prior to default, Ginnie Mae had been working with the Servicer to sell off its portfolio. The remaining loans were severely delinquent. The servicer or one of its predecessors originated half of its total remaining loans. One of the chairman's companies that originated the loans, was sued by the Government for failure to comply with HUD regulations. In that case a jury reached a civil verdict in favor of the Government. The matter was declined criminal prosecution.</p>	Prosecution Declined
12/22/2017	<p>HUD OIG received a referral from a state agency alleged that a Housing Choice Voucher recipient failed to report their marriage and spouse's income. The investigation revealed that the husband was incarcerated when the two were married and for several years thereafter. After his release from prison, the husband rented his own apartment and they subsequently divorced. The case was declined by the local district attorney office.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/11/2018	<p>HUD OIG received a referral from a US Attorney's Office alleging that a mortgage company, an FHA Direct Endorsement lender, had a higher than industry average default rate; paid underwriters, loan officers, and loan processors financial incentives on closed FHA-insured loans; and failed to self-report fraudulent or material deficient loan originations to HUD for several years. The investigation revealed that the mortgage company violated the False Claims Act by submitting FHA insurance claims and /or certifications wherein the mortgage company falsely certified to the Government that it had complied with FHA origination, underwriting, and quality control requirements. The government reached a settlement agreement with the mortgage company to pay \$11,692,149.00 in order to resolve allegations of False Claims.</p>	Successful Prosecution
11/14/2017	<p>HUD OIG received a referral from a public housing authority alleging that a participant in their Housing Choice Voucher Program did not disclose information surrounding an unauthorized occupant and failed to report true household income. The investigation revealed that the participant and her common law husband conspired by providing false financial information and not disclosing their household composition to the housing authority and other state agencies during the application for assistance and recertification of benefits from 2013 through 2016. The unreported household income resulted in payments and benefits that she was not qualified to receive. The participant was sentenced in U.S. District Court to 48 months of probation and ordered to pay \$35,263 in restitution.</p>	Successful Prosecution
12/19/2017	<p>HUD OIG received a referral from a law enforcement agency alleging that the Executive Director of a Community Outreach Service directed his staff to falsify volunteer's signatures on timesheets in order to get CDBG reimbursements. In addition, there were allegations involving double billing. The investigation was unable to substantiate the allegations. The matter was presented for prosecution and was declined.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/8/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that an individual attempted to obtain a loan for \$108,000 to pay for delinquent property taxes using 5 properties as collateral that he did not own. The investigation revealed that the individual had fraudulently deeded 26 foreclosed and abandoned properties worth a combined \$18 million dollars in order to take over control to rent out or sell the properties to unsuspecting real estate investors from 2014 through 2017. The individual was able to successfully sell 4 properties including a FHA insured home and rent out most of the single family homes in his inventory. The individual used the proceeds of the sales and rent monies as income and purchased several luxury vehicles. The individual was sentenced in state court to 120 months confinement.</p>	<p>Successful Prosecution</p>
2/5/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a Housing Choice Voucher Program (HCVP) recipient did not report Social Security benefit earnings to their Housing Authority. The HCVP recipient also did not report their marriage or spouse's income. In addition, the HCVP recipient failed to inform the Housing Authority of the familial relationship she had with the live-in aid. The investigation corroborated allegations. The HCVP tenant was sentenced in U.S. District Court to 36 months probation and ordered to pay \$143,714 in restitution.</p>	<p>Successful Prosecution</p>
3/1/2018	<p>HUD OIG received a referral from HUD alleging that an Attorney may have been fraudulently billing a Housing Authority for questionable work. The investigation determined that the Attorney was reportedly working under a questionable contract with the Housing Authority which was signed by the former Executive Director who had passed away. The matter was presented for prosecution and was declined.</p>	<p>Prosecution Declined</p>
11/27/2017	<p>HUD OIG received a referral from a law enforcement agency alleging that the former Director of a HUD Multi-Family Section 8 Senior Citizen Housing Complex misappropriated federal funds. The investigation revealed that the Director failed to pay the mortgage on the complex for a two year period, failed to prepare work orders to support maintenance work performed, and did not maintain a minimum balance in the reserve account as required. However, no information indicating criminal misconduct was found. The matter was presented for prosecution and was declined.</p>	<p>Prosecution Declined</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/28/2018	HUD OIG received a referral from HUD alleging that a housing corporation misappropriations federal funds during the construction of a \$2.6 million, 36 unit affordable family apartment complex. The investigation revealed that most of the funds provided were spent on cost associated with the apartment complex. The matter was presented for prosecution and was declined.	Prosecution Declined
3/28/2018	HUD OIG received a referral from HUD alleging that an individual purchased a FHA foreclosed single-family residence did not occupy the property as a primary residence and offered the property for rent shortly after the purchase settlement. The investigation determined that the individual that purchased, did occupy the residence. This matter was declined for prosecution.	Prosecution Declined
12/5/2017	HUD OIG received a referral from a city councilman alleging that an Executive Director (ED) of a housing authority was involved in awarding no-bid contracts, and attempted to remove a housing authority board member who blocked the ED from awarding contracts to a questionable contractor. The investigation was unable to substantiate the allegations and this matter was administratively closed.	Allegations Unsubstantiated
1/8/2018	HUD received a referral from an anonymous source alleging that a Housing Authority Executive Director and a Maintenance Supervisor routinely bought new appliances for housing units, even though the older appliances were in working condition. Once the appliances were replaced, they sold the older appliances for cash. The referral also indicated that once a year during the holiday season, the two of them gathered housing authority scrap metal and sold it to scrap yards for cash. The investigation was unable to substantiate the allegations and this matter was administratively closed.	Allegations Unsubstantiated
11/7/2017	HUD OIG received a referral from a law enforcement agency alleging that the former manager of a HUD subsidized Multifamily apartment complex created false invoices and paid "ghost" employees for work never performed, converted to personal use a portion of tenants' cash rent payments and laundry mat proceeds, and made personal purchases of groceries and other items using the apartment's line of credit accounts. The investigation corroborated the allegations. The property manager was sentenced to 18 months incarceration, 3 years of supervised release, ordered to attend substance abuse counseling as well as pay restitution of \$52,241.69 to the HUD subsidized Multifamily complex.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/23/2018	HUD OIG received a referral from a HUD after a housing authority executive director responded to the request, but did not provide the requested documents. The investigation determined that HUD's concerns are administrative and not criminal. The housing authority Board meets infrequently, the housing authority has a lack of segregation of duties due to staffing, and it appears the housing authority's business is conducted in an unorganized manner. This matter was administratively closed.	Administratively Closed
11/17/2017	HUD OIG received a referral from a law enforcement agency alleging that a roofing contractor failed to pay a roofing supplier for materials which resulted in the roofing supplier issuing an intent to file liens against numerous properties and homeowners including 11 FHA insured homes. The intended liens against the properties had a potential to create a cloud of the title that could affect the overall performance of the loans and subsequent sale of the home. The investigation revealed that contractor never intended to pay the shingle supplier after he began having financial troubles because of a gambling habit that he had developed in 2016. The contractor came up with a plan to deceive the homeowners and shingle supplier by blaming all his financial troubles on a defective shingles problem that prevented homeowners from paying the entire agreed upon contract price. The intended liens never affected the FHA insured homes or other properties and no claims were filed by the lenders involved. The matter was declined for prosecution.	Prosecution Declined
1/30/2018	HUD OIG receive a referral from an anonymous source alleging that an apartment manager was committing fraud by charging market rent to low income tenants, forcing tenants to sign new contracts, and raising rent every renewal period. The investigation reviewed rent rolls, contracted rents, housing assistance payments, tenant portion payments, rent policies, and interviewed tenants who were receiving housing assistance. The investigation failed to substantiate the allegations. This matter was administratively closed.	Allegations Unsubstantiated
2/28/2018	HUD OIG received a referral from an anonymous source alleging that a tenant falsely reported household income while receiving HUD subsidized rent. The investigation revealed that the tenant failed to disclose income from employment with the Social Security Administration. The complex is a mixed income HUD funded development receiving Low Income Housing Tax Credits. The investigation corroborated the allegations. The former tenant was sentenced to probation for a term of 36 months.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
11/30/2017	<p>HUD OIG received a whistleblower hotline complaint from a former data analyst (WB) of a non-profit organization. The WB alleged he was terminated as a result of reporting his finding that the non-profit organization was collecting HUD funds from the sub-grantee and the In-House Recovery Program (IHRP) for the same individuals. Pursuant to 41 U.S.C. § 4712. The investigation determined that the case doesn't meet the guidelines of a Whistleblower Protection Act violation. The WB's employment was not terminated as a result of disclosing potential misconduct and waste of funds. Specifically, through interviews conducted and documents reviewed during the investigation, there is clear and convincing evidence that the WB was terminated as a result of poor work performance and failure to follow directions from his supervisor in regard to the tasks he was assigned. In addition, the two programs alleged in the allegation received no HUD grant funds, and the Homeless Management Information System (HMIS) data for the two programs was not used for reimbursement of funds. Further, there was no protected disclosure.</p>	<p>Allegations Unsubstantiated</p>
1/23/2018	<p>HUD OIG received a referral from an individual alleging that a registered sex offender was living without authorization in a Section 8 apartment with the head of household. The investigation revealed that the unauthorized tenant was a lifetime registered sex offender, with an extensive criminal history that lived with the head of household for about a year. HUD regulations at 24 CFR §5.856, §960.204(a)(4), and §982.553(a)(2) prohibit admission to a housing assistance program if any member of a household is subject to a state lifetime sex offender registration requirement. The case was referred to the administering housing authority, which terminated the head of household's Section 8 voucher.</p>	<p>Referral to Grantee</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
11/29/2017	<p>HUD OIG received a referral from a whistleblower complaint alleging that the complainant was terminated by a Housing Authority (HA) as a result of his documented report of a verbal threat made to him by a tenant. The complainant stated that he was terminated for allegedly sleeping, but the HA had no proof. During the investigation multiple attempts to contact and/or interview the complainant were unsuccessful. A criminal history check revealed that the complainant had an active warrant for his arrest, which could be a reason for the lack of return contact. The complainant was not an employee of the housing authority, or a grantee receiving Federal funds from HUD. The complainant was employed as a security guard through a company contracted by the housing authority. The complainant did not file a grievance with the grantee managers, which are "covered" persons or offices. The complainant claimed he was terminated in reprisal for his disclosure. The investigation determined that the complainant was terminated by the contracted company for failure to appear for work. Since the complainant was a contract employee, he was not terminated by the grantee organization. Based on the above three findings, the Complainant did not make a prima facie case that reprisal had occurred.</p>	Allegations Unsubstantiated
11/20/2017	<p>HUD OIG received a referral alleging that an FHA insured borrower filed false unemployment claims in other persons' names and received those benefits. In addition, it is alleged that this borrower provided false information in order to obtain an FHA insured mortgage. The investigation corroborated the allegations. The borrower pled guilty and was sentenced to 75 months imprisonment and was ordered to pay \$894,315.99 in restitution.</p>	Successful prosecution.
11/7/2017	<p>HUD OIG received a referral from a local law enforcement agency alleging single family loan origination fraud. The investigation corroborated this allegation. The investigation resulted in a conviction due to the falsification of documents and the court ordering the payment of fines to HUD.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
12/12/2017	HUD OIG received a referral involving the awarding of a block grant to a village in the amount of \$248,550 to address a state of emergency that was declared due to a 2010 winter storm. The grant was intended to assist with costs for identifying and making repairs to approximately thirty-two (32) homes and three (3) public buildings damaged due to an extended power outage throughout the community resulting from the December 2010 storm. The investigation corroborated the allegations. Two members from the village pled guilty to using the funds for their own personal gain. One member was sentenced to 5 years probation and ordered to pay \$14,855.51 and the other member was sentenced to 8 months of imprisonment and ordered to pay \$69,563.	Successful Prosecution
11/20/2017	HUD OIG received a referral from a law enforcement agency alleging that a Section 8 tenant may have been involved in benefits fraud. The investigation confirmed the defendant received more HUD benefits than warranted. The the defendant was convicted and ordered to pay restitution in the amount of \$12,659.	Successful Prosecution
10/10/2017	HUD OIG received a referral that an FHA borrower with the assistance of two others provided false employment information in order to obtain an FHA insured mortgage. The borrower was a straw borrower and the two people assisting resided in the residence. THE investigation corroborated the allegations. The borrower pled guilty and was sentenced to 2 months incarceration. The first co-conspirator pled guilty and was sentenced to 6 months incarceration. The second co-conspirator pled guilty and was sentenced to 17 months confinement, issued a fine of \$11,356 and ordered to pay restitution in the amount of \$78,410.25.	Successful Prosecution
11/8/2017	HUD OIG received a referral alleging that an executive director of a housing authority made personal purchases with program funds on the housing authority's credit card. Among the items alleged to be purchased with program funds were personal groceries, hardware store items, kitchen cabinets, and a \$150 range, all for his personal home. The case was presented and declined for prosecution.	Prosecution Declined
10/30/2017	HUD OIG received a referral from a law enforcement agency alleging that they had been unable to receive housing assistance a tribal organization because the tribal administrator and general manager had been stealing the grant money provided to a village for housing projects. The investigation was unable to substantiate the loss or misuse of HUD funds. The case was administratively closed.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/6/2017	HUD OIG received a referral concerning a data match involving information maintained from the National Center for Missing and Exploited Children and HUD's data base for housing recipients. HUD's database indicated that a Head of Household, was an alleged abductor of two minor girls ages 14 and 15. The subjects were charged but the charges were later dismissed by the prosecutor.	Case Dismissed
1/16/2018	HUD OIG received a referral from a city that individuals and or contractors were submitting false documents to get reimbursed with Community Development Block Grant Disaster Relief funds. The matter was presented for prosecution and was declined.	Prosecution Declined
1/16/2018	HUD OIG received a referral from a city that individuals and or contractors were submitting false documents to get reimbursed with Community Development Block Grant Disaster Relief funds. The matter was presented for prosecution and was declined.	Prosecution Declined
1/16/2018	HUD OIG received a referral from a city that individuals and or contractors were submitting false documents to get reimbursed with Community Development Block Grant Disaster Relief funds. The matter was presented for prosecution and was declined.	Prosecution Declined
12/29/2017	HUD OIG received a referral from a local law enforcement agency alleging that a Section 8 participant was in the U.S. illegally since 1984, yet was on SSI and receiving Medicaid assistance. The individual was confirmed to be Housing Choice Voucher recipient and has been under the program since 1998 with an estimated loss of \$100,000. The case was presented for prosecution and declined.	Prosecution Declined
11/28/2017	HUD OIG received a referral alleging embezzlement on the part of a president of neighborhood association. The investigation was unable to substantiate the allegations. The case was declined prosecution.	Prosecution Declined
3/28/2018	HUD OIG received a referral alleging disruptive behavior on the part of a HUD employee. The employee had other involvement with law enforcement that was not related to their employment. As a result of the investigation, the employee resigned from their position. The matter was declined prosecution.	Prosecution Declined
12/29/2017	HUD OIG received a referral from a housing authority alleging that a tenant was concurrently leasing a low-income rental unit with a two different housing authority's. The matter was declined prosecution.	Declined for prosecution.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/21/2018	HUD OIG received a referral alleging that an employee for a Community Development Corporation diverted another federal agency and HUD funds into his personal checking account. The investigation confirmed that the subject embezzled funds for personal use and as a result was sentenced to 3 months confinement, house arrest, and ordered to pay \$105,000 in restitution to HUD.	Successful Prosecution
10/30/2017	HUD OIG received a referral alleging that an FHA insured borrower may have facilitated loan origination fraud. The investigation confirmed that the borrower provided false statements related to income in order to obtain the loan. The borrower was sentenced to probation and ordered to pay \$44,800 in restitution to the FHA.	Successful Prosecution
11/6/2017	HUD OIG received a referral alleging numerous problems with tenant files along with the property owner potentially stealing money from HUD. HUD terminated the contract with owner. The investigation failed to corroborate the allegations. The case was administratively closed.	Allegations Unsubstantiated
3/30/2018	HUD OIG received a referral alleging that an owner/Section 8 landlord (owner) committed bank fraud and deeded properties to tenants to mask his ownership of the property. The investigation corroborated the allegations. The owner was sentenced to 4 years probation and ordered to pay restitution in the amount of \$56, 679 including \$16,220 to HUD.	Successful Prosecution
1/25/2018	HUD OIG received a referral from a Hotline complaint alleging that management employees of a housing authority steered contracts to a construction company and conspired with the construction company to over charge the housing authority for work. The investigation could not corroborate the allegations. The investigation was declined prosecution.	Prosecution Declined
10/10/2017	HUD OIG received a referral from a former county employee alleging that he was terminated from his employment with Jefferson County because he reported Uniform Relocation Assistance Act violations and conflict of interest issues in regards to HOME and CDBG contracts. The investigation was unable to substantiate the allegations and was administratively closed.	Allegations Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/2/2017	HUD OIG received a referral alleging that county personnel committed violations of the Uniform Relocation Assistance Act and conflict of interest issues on projects funded with HOME, CDBG, LIHTC and FHA-insured funds. The investigation was unable to substantiate the allegations and was administratively closed.	Allegations Unsubstantiated
12/29/2017	HUD OIG received a referral from a housing authority alleged that errors were discovered involving residents paying half the rent that was due because of an error, also no action taken by staff on verifications of employment for tenants, and other administrative errors. The errors were reported to the housing authority. The information was referred to HUD OIG audit.	Referral to HUD OIG Audit
10/10/2017	HUD OIG received a referral from a former tenant alleging that a housing authority evicted the him based on false testimony and documents. The tenant filed additional complaints with other governmental agencies. This matter was declined for prosecution.	Prosecution Declined
12/15/2017	HUD OIG received a referral alleging that an individual passed two counterfeit checks from a housing authority's bank accounts. The investigation confirmed that the subject passed two counterfeit checks. The individual was sentenced to probation and ordered to pay restitution to the housing authority.	Successful Prosecution
11/13/2017	HUD OIG received a referral alleging that a Section 8 landlord was charging Section 8 tenants monthly rental rates that were above the approved Housing Assistance Payment (HAP) Contract rental rate. This matter was declined for prosecution.	Prosecution Declined
12/6/2017	HUD OIG received a referral alleging that an executive director of a grantee organization receiving grant funds manually created financial reports and provided rent payments that were never received. The investigation failed to corroborate the allegations and was administratively closed.	Administratively Closed
12/6/2017	HUD OIG received a referral alleging that an executive director of a grantee receiving grant funds was manually creating financial reports and providing rent payments that were never received. The investigation failed to corroborate the allegations and was administratively closed.	Administratively Closed
12/12/2017	HUD OIG received a referral alleging that a HUD employee had images of nude women displayed on their computer screen. The employee received a formal reprimand.	Employee Administrative Action

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/28/2018	HUD OIG received a referral from a former employee alleging other employees of the community organization swapped grant fund codes or inflated work hours in order to obtain reimbursement for work done on projects that had low fund levels and fabricated survey results to qualify for a housing grant. This matter was declined for prosecution.	Prosecution Declined
3/16/2018	HUD OIG received a referral alleging that a registered sex offender was living in a Section 8 unit. The investigation confirmed the individual was a registered sex offender and not eligible to live in the subsidized unit. This information was referred to the PHA for administrative action and as a result the individual was evicted. The case was administratively closed.	Administratively Closed
3/7/2018	HUD OIG received a referral from HUD alleging that a group of real estate professionals originated FHA-insured loans containing false employment information and the used straw buyers. The investigation determined that three real estate professionals and a tax preparer facilitated a fraudulent loan origination scheme. The defendants were charged, pled guilty, and were sentenced. In aggregate, the defendants were ordered to serve 48 months of incarceration and ordered to pay restitution of approximately \$6.4 million.	Successful Prosecution
1/12/2018	HUD OIG received a referral from a law enforcement agency alleging that two companies involved with the dissemination of HUD CPD HOME program funds were involved in a scheme involving fraudulent billing. The investigation corroborated the allegations which led to the indictments of four individuals, two of whom fled to the U.S.A. The other two individuals were sentenced to probation.	Successful Prosecution
1/26/2018	HUD OIG received a referral from a law enforcement partner alleging that a company was involved in a scheme to defraud people whose mortgages were in financial distress, by falsely claiming they would modify their loans. The scheme included FHA insured homes that were in the foreclosure process. The scheme also involved falsely obtaining the title to properties and then selling them to people who purchase the homes using FHA insured mortgage loans. The investigation corroborated the allegations and led to the prosecution of 10 individuals. The primary defendant was sentenced to 200 months incarceration, ordered to pay \$141,000 in restitution, and forfeited property valued at \$500,000. The other subjects received various jail terms and probations.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/12/2018	HUD OIG received a referral from another government agency alleging fraud and misuse of VA and HUD funds by a company president of a HUD CPD sponsored grantee. The investigation determined there to be malfeasance on behalf of the company president and she admitted to wrongdoing. The prosecution was declined.	Prosecution Declined
12/21/2017	HUD OIG received a referral from a county auditor alleging that a local nonprofit withheld and misappropriated approximately \$680,000 in county and city home sales proceeds. The investigation determined that the nonprofit had used the HUD NSP funds for non-NSP related expenses in order to keep themselves solvent. The county and city opted to settle with the nonprofit for the repayment of missing funds, in lieu of prosecution.	Prosecution Declined
12/18/2017	HUD OIG received a referral alleging that a Section 8 landlord leased a home to her daughter, who was a Section 8 tenant, in violations of HUD Section 8 program. The investigation substantiated the allegations and both mother and daughter were charged and pled guilty to theft. They were sentenced to 48 and 72 days incarceration, 36-month probation, and ordered to pay restitution in the amount of \$81,828.	Successful Prosecution
12/21/2017	HUD OIG received a referral alleging that a Section 8 tenant failed to provide accurate and complete information about household income and assets. The investigation disclosed that the Section 8 tenant had received approximately \$1.5 million from international monetary transfers from a Middle-East country. In addition, the Section 8 tenant owned and operated several businesses, and had maintained a secondary residence outside of his Section 8 unit. The Section 8 tenant was indicted and pled guilty to theft and false statements, and was sentenced to 6 months in prison, 3 years of probation, and \$85,353 in ordered restitution.	Successful Prosecution
10/16/2017	HUD OIG received a referral alleging that the owners of a HUD-funded healthcare facility made falsely supported withdrawals from the project's operating account and were not directing rental proceeds to the monthly mortgage payments in violation of HUD rules. The investigation revealed that HUD's Departmental Enforcement Center (DEC) was aware of the issue and were working towards an administrative remedy for aforementioned issue. The investigation did not reveal any indicators of fraudulent activity and it was deemed that an official referral to the DEC for administrative action was appropriate.	Referral to HUD

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
12/15/2017	HUD OIG received a referral alleging that a realtor used a strawbuyer to purchase a home under the FHA program. The investigation was unable to substantiate the allegations and as a result the matter was administratively closed.	Administratively Closed
12/5/2017	HUD OIG received a referral alleging that a Section 8 tenant sublet his unit while he was living in another city with his children's mother. The investigation corroborated the allegation. The tenant was indicted, pled guilty and was sentenced to 12 months and 1 day in prison, 3 years of probation, and ordered to pay restitution in the amount of \$194,754.00.	Successful Prosecution
10/24/2017	HUD OIG received a referral alleging that an FHA borrower was not living in their FHA-insured residence. The investigation was unable to substantiate the allegation and as a result was administratively closed.	Administratively Closed
10/24/2017	HUD OIG received a referral from a law enforcement agency to assist in assessing potential violations of FHA requirements involving newly constructed housing developments. The investigation failed to identify any FHA properties, as a result the matter was administratively closed.	Administratively Closed
3/8/2018	HUD OIG received a referral from a housing authority wherein it was alleged that a Section 8 Rental Assistance Program participant was underreporting his earned income and renting from a relative, his uncle, in violation of program rules. The investigation corroborated the allegations, which resulted in the participant being charged with one count of Fraudulent Schemes and Artifices and one count of Forgery. The defendant pled guilty and was sentenced to three years probation and ordered to pay restitution of \$50,627 to the housing authority.	Successful Prosecution
1/17/2018	HUD OIG received a referral from a law enforcement agency alleging that a sex offender registrant had reported that he was living with his mother, who might be receiving housing assistance. The investigation corroborated the allegations, as a result the program recipient was terminated from the rental assistance program. In addition, the former program recipient was convicted for grand theft and sentenced to time served and probation.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/7/2018	HUD OIG received a referral regarding a whistleblower allegation from a city employee. The Whistleblower allegation was investigated and later discontinued after the complainant retained an attorney and filed a civil suit on her own. The complainant also made an allegation of potential fraud in the city programs. The additional complaints of fraud were also investigated. No evidence was found to conclude that criminal activity took place, therefore the case was closed.	Allegation Unsubstantiated
11/21/2017	HUD OIG received a referral alleging that a HUD grantee was not paying sub-contractors for the development of a HUD-insured property. Several witnesses were interviewed and grantee payments were analyzed. Investigative findings were presented but the case was declined prosecution.	Prosecution declined
12/21/2017	HUD OIG received a referral from a whistleblower alleging that a housing authority retaliated against her for disclosing information to HUD OIG. The investigation concluded that the housing authority may have taken steps that could be construed as retaliation. The Whistleblower settled a civil settlement with the housing authority and the whistleblower protection act complaint was withdrawn.	Administratively Closed
11/21/2017	HUD OIG received a referral alleging a familial relationship between owner, landlord, and the Section 8 tenant. The investigation resulted in all parties being charged and all were found guilty of fraud and perjury. The landlord/owner was ordered to make restitution to the housing authority in the amount of \$52,000. All three defendants were sentenced to serve 36 months probation.	Successful Prosecution
12/21/2017	HUD OIG received a referral alleging that the acting executive director of a housing authority failed to follow procurement and hiring policies. The investigation was unable to substantiate the allegations and the matter was administratively closed.	Allegations Unsubstantiated
2/13/2018	HUD OIG received a referral alleging that a self-employed participant in HUD's Section 8 rental assistance program was concealing earned income from the administering housing authority. The investigation determined that the participant earned income from a real estate sale that was not reported to the housing authority. Investigative findings were presented to the housing authority for possible administrative action. The housing authority held the position that it would not consider the income from the sale unreported due to the one-time nature of the earnings. As a result, no administrative action was taken and this case was closed.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/6/2017	HUD OIG received a referral alleging that a HUD subsidized Section 8 landlord was extorting Section 8 tenants for sex and various sex acts when those tenants were unable to pay their portion of their monthly rent. The landlord, who owns several buildings wherein there are multiple Section 8 tenants and manages other Section 8 residential apartments on behalf of other owners, was also allegedly distributing illegal drugs (methamphetamines), unlawfully carried a firearm, and allowed for the storage of unlawful/unregistered firearms at or around his HUD-subsidized Section 8 properties. The investigation was unable to substantiate the allegations as a result this matter was administratively closed.	Administratively Closed
1/25/2018	HUD OIG received a referral alleging that a Section 8 tenant was housing an unauthorized occupant who was subject to a lifetime registration as a sex offender. The investigation confirmed that the tenant was housing an unauthorized occupant, however, the housing authority had taken administrative action and removed the tenant from the Section 8 program. Due to the fact that the housing authority had already completed administrative action it was determined that the case be closed with no further investigation warranted.	Administratively Closed
1/25/2018	HUD OIG received a referral from a law enforcement agency alleging that a family was purchasing several homes, thought to be FHA insured, even though their collective reported income did not seem to support the ability to make such purchases. The investigation determined that none of the subject properties were FHA insured. Since there was no nexus to HUD, this case was closed with no further investigation warranted.	Allegation Unsubstantiated
1/12/2018	HUD OIG received a referral from a law enforcement agency requested assistance in locating a possible HUD program participant who was alleged to have committed various criminal activities. The investigation was unable to identify any viable leads, as a result this matter was administratively closed.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
11/28/2017	HUD OIG received a referral from a law enforcement agency alleging that a Section 8 program recipient was obtaining federal rental assistance using an identity that belonged to someone else. The investigation determined that the Section 8 recipient was using a stolen identity to receive federal benefits from multiple federal agencies. This former participant was subsequently charged, pled guilty, and was sentenced to 16 months incarceration and ordered to pay \$48,600 in restitution to the housing authority.	Successful Prosecution
1/16/2018	HUD OIG received a referral alleging that a HUD employee improperly backdated a trip report that caused problems with a housing developer. The investigation determined that HUD staff had received permission from HUD Office of Legal Counsel regarding this matter. HUD OLC indicated that the staff did not act improperly when dealing with the developer. This matter was administratively closed.	Allegation Unsubstantiated
10/31/2017	HUD OIG received a referral alleging that a senior HUD official granted two separate 40 hour time-off incentive awards, the subject was not an employee of the HUD official who granted the time off award, and the time-off awards violate the HUD incentive award policy. It was also alleged that the time-off awards appear to be a "bribe to a union official to try and get concessions from the union on contract negotiations". The investigation revealed that the subject was awarded two 40 hour time off awards, to which he was not entitled. The time off awards and the process by which they were awarded were contrary to HUD's time off award policy and were valued at \$6,083.20. This matter was presented for prosecution and was declined.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/12/2018	<p>HUD OIG received a referral alleging that an employee mismanaged the HUD purchase card program and funds for the physical inspection Reverse Auction Program (RAP) and violated the Anti-Deficiency Act. It was further alleged that the subject had not complied with merit promotion protocol and had engaged in discriminatory promoting practices. The investigation determined that the subject did not mismanage the HUD purchase card program and funds for the physical inspection RAP. The investigation further determined that the subject did not fail to comply with merit promotion protocol or engage in discriminatory practices. Although the investigation did not find any evidence to suggest that an ADA violation occurred, the allegation regarding the ADA violation was referred to the Office of Special Counsel, HUD OIG, Office of Audit, and the HUD, Office of Chief Financial Officer, per protocol, for action deemed appropriate. No prosecutorial coordination was conducted as no criminal wrongdoing was identified during the course of this investigation.</p>	Administratively Closed
12/11/2017	<p>HUD OIG received a referral alleging that an employee was working for a large city municipality and was heavily involved in the city's Voluntary Compliance Agreement (VCA) that may violate this individual's post-employment restrictions. The investigation did not reveal evidence to substantiate that the subject or any of her CPD subordinates had any direct participation with the VCA, other than as a monitor. This matter was presented for prosecution and was declined prosecution.</p>	Prosecution Declined
10/31/2017	<p>HUD OIG received a referral alleging that from 2015 through 2016 HUD officials destroyed official HUD records, without authorization. The investigation revealed that records were prematurely destroyed. The investigation could not determine the identity of the individuals that completed the forms that authorized the destruction. The investigation established that the subject prematurely approved the disposition. No prosecutorial coordination was conducted as no criminal wrongdoing was identified during the course of the investigation.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/29/2018	<p>HUD OIG received a referral alleging that in December 2015 a former employee used a HUD OIG account to conduct a search via Lexis Nexis (a subscription based searchable database). The former employee had resigned from HUD in March 2012. The investigation corroborated the allegations. In addition, it was determined that database administrators failed to terminate the former employees access to Lexis Nexis. The investigation was presented for prosecution, however, the matter was declined.</p>	Prosecution Declined
10/31/2017	<p>HUD OIG received a referral alleging that an individual was instructed, via email, not to share specific documents with HUD OIG, due to non-compliance issues. It was further alleged that subject retaliated against GNMA employees and forced employees to sign false representations. The investigation did not establish any evidence to suggest that the subject forced the complainant to sign the management representation letter. This investigation did determine that signing the MLR was part of the complainants duties and responsibilities. The investigation did not identify any GNMA employees that were retaliated against for identifying errors within the FY15 financial statements. No prosecutorial coordination was conducted as no criminal wrongdoing was identified during the course of the investigation.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/5/2017	<p>HUD OIG received a referral that the complainant was retaliated against, in violation of the Whistleblower Protection Act, based on information that she provided to a housing authority Board. Specifically, the complainant alleged that when she reported that the former executive director for a local housing authority falsified housing inspections and attempted to submit the false information to HUD for payment, she was retaliated against by her superiors. The complainant stated that the Director of PIH slandered her name, failed to remove the "interim" status from her title, delayed compensation to her, placed her in a hostile work environment, and terminated her employment with the housing authority. This investigation determined that as a result of the information provided by the complainant in May 2016, the ED was terminated from the ED position. In February 2017, the complainant was terminated by the housing authority after serving as the interim ED for approximately nine months. However, the reason for the termination was based on financial and performance, not on the information that the complainant provided about the violations.</p>	Administratively Clos
3/12/2018	<p>HUD OIG received a referral of a whistleblower complaint alleging reprisal after the complainant identified instances of intentional misapplication of Generally Accepted Accounting Principles (GAAP) to HUD OIG. It was further alleged that the complainant was given a poor performance review based on fabricated facts, and was placed in complete isolation by not being included on emails or in meetings. The complainant was ultimately terminated on March 3, 2017. The complainant claimed her poor performance review and termination were retaliation by management. The investigation determined that there is clear and convincing evidence that the complainant would have been terminated during her probationary period regardless of the protected disclosures.</p>	Administratively Clos
1/30/2018	<p>HUD OIG received a referral alleging that a subject received two \$10 parking tickets issued by the city and on both occasions the subject went downtown to appeal the tickets. The complainant alleges that the subject had been "rude and abusive" to the staff on both occasions however, on the most recent occasion the subject threatened to "cuff any patroller issuing him a ticket for obstruction of justice". No prosecutorial coordination was conducted as no criminal wrongdoing was identified during the course of this investigation.</p>	Employee Administr

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
2/21/2018	HUD OIG received a referral from agency manager stating that an employee was incarcerated for violation of probation. Also, according to the information received, the subject was released on bond that same day. No further action was taken regarding this matter. The case was administratively closed to file.	Administratively Closed
10/31/2017	HUD OIG received a referral that an individual may have violated the conflict of interest statute by steering Choice Neighborhood Grants to her former employer. The investigation determined that the individual did not steer grants to the two companies alleged and established that the subject does not have current financial interest in the former employer. No prosecutorial coordination was conducted as no criminal wrongdoing was identified during the course of this investigation.	Administratively Closed
1/30/2018	HUD OIG received a referral from a HUD OIG employee alleging that their agency issued laptop computer containing personally identifiable information was stolen from their personally owned vehicle. The employee made a report to law enforcement of damage to their vehicle, which was consistent with a vehicle break-in. HUD OIG referred the case to the United States Attorney's Office, however, the matter was declined for prosecution. Disciplinary action was taken against the HUD employee for failure to safeguard the security and confidentiality of records. This matter was presented for prosecution, however, prosecution was declined.	Prosecution Declined
12/14/2017	This was a proactive matter created to assign a select few of auditors as agents in order for them to have edit access to future investigations in the Case Management Investigative Subsystem.	Administratively Closed
12/20/2017	HUD OIG received a referral requesting assistance on a civil loan origination investigation. The lender was selected as part of a larger initiative focused on large scale, nationwide FHA loan originators with high default/claims rates. During the investigation OIG performed quality control reviews of FHA loans selected through statistical sampling, conducted document analysis, interviews, and email review. The lender entered into a settlement agreement with the Federal Government to pay \$65 million in a combined settlement amount. \$19.5 million was attributed to this affiliate.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
12/20/2017	HUD OIG received a referral requesting assistance on a civil loan origination investigation. The lender was selected as part of a larger initiative focused on large scale, nationwide FHA loan originators with high default/claims rates. During the investigation OIG performed quality control reviews of FHA loans selected through statistical sampling, conducted document analysis, interviews, and email review. The lender entered into a settlement agreement with the Federal Government to pay \$65 million in a combined settlement amount. \$45.5 million was attributed to this affiliate.	Successful Prosecuti
12/19/2017	HUD OIG received a referral from HUD alleging that false information was contained on HUD-1 Settlement Statements. The investigation determined that 7 loans contained false information on the HUD-1 settlement statements. The findings of this investigation were referred to the HUD for consideration for proceedings under the Program Fraud Civil Remedies Act of 1986 ("PFCRA"), 31 U.S.C. §§ 3801-3812. A referral was also made to the to a prosecutor for consideration under the False Claims Act, 31 U.S.C, § 3729. This matter was declined prosecution.	Prosecution Declined
12/19/2017	HUD OIG received a referral from HUD alleging fraudulent verification of deposit (VOD) identified during a routine review. The investigation did not reveal indications of altered VODs, but underwriting deficiencies were identified. Investigative results were presented to a prosecutor and was declined.	Prosecutino Declined
12/20/2017	HUD OIG received a referral alleging that HOPWA funds were being misused to provide rental assistance for undocumented immigrants. The case was declined for prosecution. A referral memorandum was issued to HUD related to Special Needs suggesting that HUD clarify whether Illegal-Undocumented immagrants are eligible for assistance under HOPWA.	Referral to HUD
12/27/2017	HUD OIG proactively identified a FHA loan originator for investigation, based on their high default/claim rate. The investigation revealed that roughly 25% of the 150 early payment default loans contained material underwriting failures. These findings would make the individual loan level certifications false. Additionally, a review of Quality Control practices and procedures revealed significant deficiencies supporting the assertion that the lender's annual certifications are false. Both situations support a False Claims Act case. This matter was presented for prosecution, and was declined.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/25/2018	HUD OIG received a referral from HUD OIG Audit alleging that a lending company ceased doing FHA business and the principals started working under another name and separate FHA ID. The investigation identified deficiency with 28 loans. The findings were presented to a prosecutor that deferred to HUD in taking action.	Administratively Clos
1/30/2018	HUD OIG received a civil referral alleging that numerous large scale direct endorsement lenders as well as FHA Servicers were violating a wide variety of FHA regulations. The investigation could not substantiate the allegations. The matter was declined for prosecution.	Allegation Unsubstar
1/3/2018	HUD OIG received a referral alleging from HUD alleging that findings reported in monitoring letters of at least six grantees for the past three years have been administratively adjudicated in a manner that does not follow normal procedure. Many of the monitoring letters reported allegations that all of the grantees engaged in financial irregularities that rise to the level of criminality and should have been referred to HUD OIG at the time the irregularities were discovered by HUD monitoring staff. The investigation determined that the costs were unallowable based on the parameters of the grant. This matter was presented for prosecution and was declined.	Prosecution Declined
1/3/2018	HUD OIG received a referral requesting OIG assistance on a lender with a high default rate. The investigation determined that the lender failed to comply with FHA requirements for the origination of single-family mortgage loans. The lender did not conduct the quality control audits required by HUD on certain closed and early payment default loans, and it made or caused the submission of false claims for insurance proceeds concerning mortgage loans insured by FHA that did not qualify for FHA insurance. The subject entered into a settlement agreement with the Federal Government to pay \$1.025 million.	Successful Prosecuti
1/9/2018	HUD OIG received a referral alleging that individuals conspired to take control of the complainant's company and fraudulently used the company as a pass through to obtain over \$3 million in HUD grant funds from a city, for work to be performed and that the subject parties were committing Davis Bacon violations. The investigation determined that the Davis Bacon aspect of the case were address through oversight activities. The complainant filed a voluntary dismissal of the complaint.	Allegation Unsubstar

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
3/30/2018	HUD OIG received a referral from HUD alleging that the owners/operators of two multi-family projects were using project funds in violation of the Regulatory Agreement. The allegations detailed the use of funds for personal expenditures, excessive salaries, and in support of non-HUD insured facilities. The investigation determined that the projects' accounting services were being provided by an unlicensed accountant representing herself as a CPA in good standing. The owner and management agents entered into a settlement agreement with the Government to pay \$510,000.	Successful Prosecuti
12/20/2017	HUD OIG received a referral alleging that a FHA direct endorsement lenders engaged in the widespread operation of "net branches" violation of HUD regulatory guidance by knowingly encouraged these branch activities and falsely certified compliance with HUD's regulations on branch operation. The investigation reviewed all of the allegations regarding violations of HUD regulations in both the original and amended complaints. During the investigation, the complainant voluntarily dismissed their case. Due to voluntary dismissal and the inconclusive results of the investigation, this matter was administratively closed.	Allegation Unsubst
1/5/2018	This investigation was opened to record Forensic Auditor work time and can be merged with a parallel OI investigation. All relevant work product from this investigation was made available to OI and will be continued under the parallel case. This case is being administratively closed.	Administratively Clos
12/20/2017	HUD OIG initiated a proactive matter to determine whether an FHA Direct Endorsement Lender approved loans that did not meet the underwriting requirements. The investigation determined that the lender knowingly submitted or caused to be submitted to HUD, false claims for FHA insurance for some loans that were ineligible for FHA insurance, submitted false annual certifications, and submitted false individual loan certifications. The lender entered into a settlement agreement with the Federal Government to pay \$1.67 million.	Successful Prosecuti
10/4/2017	HUD OIG initiated an investigation to determine if a parcel of land encumbered by a Land Use Agreement was developed in violation of the agreement. The investigation revealed indications that the agreement was breached, however couldn't conclusively establish culpability. This case was declined for prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
1/4/2018	HUD OIG received a referral from OIG Audit alleging that a management company received inappropriate and unsupported housing assistance payments for tenants who lacked properly executed and documented tenant eligibility forms, tenant eligibility forms were not properly signed or dated and housing assistance payments were made for unoccupied units. This investigation was opened to record Forensic Auditor work time in support of OI case. All relevant work product is maintained therein. This case is being administratively closed.	Administratively Clo:
1/30/2018	HUD OIG received a referral from HUD alleging FHA loan violations. The investigation determined that the lender failed to meet quality control standards, failed to report material findings, failed to properly monitor 203(k) loan administration, and failed to meet numerous origination/underwriting standards. All loans were indemnified by the lender ultimately protecting FHA from future harm.	Referral to HUD
1/5/2018	HUD OIG received a referral from a complainant alleging abuses within HUD's Manufactured Housing programs. The complainant claimed that ineligible homes manufactured prior to HUD's program oversight of safety standards, were being processed for FHA insurance. After extensive research and interviews, the investigation could not identify situations other than one loan identified in the complaint. HUD's National Servicing Center placed a permanent claim block on the Relator's loan that prevents FHA from paying a claim and preventing the loss of \$55,405.	Referral to HUD
12/18/2017	HUD OIG received a referral from a complainant alleging that a property management company recorded a fake loan in the amount of \$2.5 million as a means to extract project funds when they were otherwise ineligible. This investigation was opened to record Forensic Auditor work time in support of a parallel OI investigation. All relevant work product from this investigation is contained in the parallel case and the investigation will be continued under that case number. This case is being administratively closed.	Administratively Clo:
1/30/2018	HUD OIG received a referral containing multiple allegations against a HECM Servicer was consolidated. Future activity will be documented under another case.	Administratively Clo:

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
10/31/2017	This investigation was opened to record Forensic Auditor work time in support of a parallel OI investigation. These cases are being combined with all relevant work product contained in the parallel case file. Future efforts of the investigation will be recorded under that case number. This case is being administratively closed.	Administratively Clos
1/5/2018	HUD OIG received a referral related to a civil matter alleging that a mortgage servicer "failed to solicit borrowers for potential HAMP / FHA-HAMP-type mods before foreclosing or taking other recovery actions." The investigation could not corroborate the allegations. This matter was declined for prosecution.	Allegation Unsubstar