

CASE NUMBER	DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
(b) (7)(C)	3/15/2016	HUD OIG reviewed newspaper allegations concerning kickbacks from HVAC and audio/visual contractors who had bid on and received HUD funds to refurbish (b) (7)(C) investigation determined that the allegations had merit, however, this case has (b) (7)(C) Based on the stagnancy of this matter, it was decided to administratively close the case until such time that the prosecutor is prepared to move forward.	Administratively Closed
(b) (7)(C)	12/23/2015	HUD OIG received information from local law enforcement that a company was involved in a conspiracy to originate fraudulent FHA-insured properties. The owners of this and other affiliated corporations were previously convicted in (b) (7)(C) for the same conduct. Investigation determined that the owners of this mortgage company, realtors, appraisers, and straw buyers engaged in a conspiracy to generate fraudulent loans for home sales in the Connecticut area. There were 20 FHA-insured mortgage loans and 34 conventional mortgage loans, totaling \$16,000,000, \$7,000,000 of which were with FHA exposure. Three subjects were charged in this case resulting in: 3 debarments; 72 months of incarceration; 108 months of probation; \$1,600 in fines, \$3,098,459 in joint restitution with \$481,719 in additional restitution for one defendant.	Successful Prosecution
(b) (7)(C)	7/30/2015	HUD OIG received a complaint from HUD alleging that an entity receiving (b) (7)(C) had provided false documentation to draw down funds used for the payment of salaries and operations of a non-HUD housing program. Investigation of the bank accounts determined that all funds were deposited and withdrawn properly and no suspicious transactions were uncovered. T (b) (5)	Prosecution Declined
(b) (7)(C)	10/30/2015	(b) (7)(C) a local housing authority offered him a bribe in return for the officer to stop investigating a matter involving a maintenance employee associated with the housing authority. Investigation determined that (b) (7)(C) Celtic tickets, but the investigation ended when (b) (7)(C) (b) (5)	Prosecution Declined
(b) (7)(C)	4/4/2016	HUD OIG received information from a HUD CPD employee that three years worth (b) (7)(C) findings disclosed on monitoring reports for a homeless provider grantee were administratively adjudicated in a manner that (b) (7)(C) felt did not follow normal procedure. Furthermore, the monitoring reports indicated (b) (7)(C) engaged in financial irregularities. The investigation revealed that the grantee commingled federal and state funds (b) (7)(C), but there was no evidence that the grantee misused the HUD funds. HUD OIG's results were brought to the grantee's attention and they immediately created separate ledgers. The case was referred to the state agency whose funds were commingled with HUD's for their review and action, if warranted.	Closed by Referral
(b) (7)(C)	3/16/2016	HUD OIG HQ-Ops discovered potential identity theft associated with the data contained in the Continued Program Monitoring 500 analytical tool. There were four suspected cases of potential identity theft involving recipients of PIH subsidized housing in New York City. After researching HUD databases and contacting NYCHA IG, it was found that tenants were reporting their accurate income. Allegation not substantiated, (b) (5)	Allegation Not Substantiated

(b) (7)(C)	1/4/2016	██████████ HUD OIG in obtaining FHA loan files originated by a direct endorsement lender for review and analysis of fraudulent origination practices. Reviews of several FHA mortgage files noted fraud related to bank account information and false statements by the borrowers. ██████████	Prosecution Declined
(b) (7)(C)	10/20/2015	HUD OIG received a referral from ██████████ (b) (7)(C) ██████████ indicating that ██████████ were falsifying documents during its mortgage origination process of FHA-insured loans. The investigation revealed the principals and the real estate broker created fraudulent information for borrowers in order to qualify them for FHA-insured loans. A total of seven subjects were charged in this case resulting in 1 suspension; 5 debarments; 92 months of incarceration; 264 months of probation; \$1,600 in fines, and \$8,340,904 in restitution.	Successful Prosecution
(b) (7)(C)	11/4/2015	The FBI contacted HUD OIG and other federal and state agencies, requesting assistance in an investigation involving a brokerage/law firm that allegedly engaged in fraudulent mortgage origination practices. The investigation determined that the real estate developer was using a straw buyer to purchase FHA-insured properties with FHA-insured loans. The real estate developer was charged and sentenced in U.S. District Court to one day of incarceration and 36 months supervised release, fined \$25,000, and ordered to forfeit \$525,000 to the U.S. government. The real estate developer was also referred to the DEC for debarment.	Successful Prosecution
(b) (7)(C)	2/29/2016	A former employee of a Section 8-assisted senior living facility alleged that the owners and their children embezzled Section 8 funds by failing to report the deaths of some of the tenants and instead, continuing to collect HUD subsidies for the apartments that were vacated by deceased tenants. The investigation revealed that although some Section 8 funds were paid for vacant apartments, HUD successfully reversed the payments. As such, there was no loss to HUD. The matter was then referred to HUD OIG Audit for their action, if warranted.	Referral to Program Staff/HUD
(b) (7)(C)	4/8/2016	HUD OIG received a complaint from a former business partner of a multi-property owner alleging that the owner misappropriated mortgage proceeds and investment funds from two Bronx multifamily buildings, and that tenants were paying bribes to the owner to obtain Section 8 apartments. Investigation determined the buildings were not HUD project-based and evidence collected indicating bribes might have occurred were outside the statute of limitations. This case had no HUD nexus.	Administratively Closed
(b) (7)(C)	3/9/2016	HUD OIG received a referral from ██████████ alleging that a homeowner falsified her property deed to reflect that she was the sole owner of her property. The applicant received \$38,000 in Hurricane Sandy funds. The investigation determined that the subject mistakenly furnished the wrong deed to the property in her application and that no intent to defraud was evident. The allegation was not substantiated.	Allegation Not Substantiated
(b) (7)(C)	4/7/2016	HUD OIG received a complaint from the ██████████ alleging that a contractor hired by homeowners possessed false electrician and plumber licenses. The investigation determined that there was no loss to HUD and that this might be a consumer fraud crime. (b) (5) ██████████	Prosecution Declined

(b) (7)(C)	1/15/2016	HUD OIG received information from the Hotline alleging that Bank of America employees defrauded the FHA program by not verifying borrower income on one FHA loan. Further investigation revealed the victim retained counsel and counsel (b) (7)(C) no evidence of criminal wrong-doing. The loan is currently in a contested foreclosure status. The allegations were unsubstantiated.	Allegation Not Substantiated
(b) (7)(C)	11/5/2015	HUD OIG received information from DOL-OIG alleging that the (b) (7)(C) received payoffs in exchange for awarding HOME grants to a particular contractor. The investigation corroborated the allegations and determined that the subject received over \$2,000,000 in kickbacks from developers since 2001. A total of twelve subjects were charged in this case resulting in 2 dismissals; 3 acquittals; 3 suspensions; 4 debarments; 70 months of incarceration; 204 months of probation; 300 hours of community service; \$25,000 in fines; and \$553,199 in restitution.	Successful Prosecution
(b) (7)(C)	9/17/2015	HUD OIG received a referral from the HOC regarding high default/claim rates, HUD losses, and questionable loans originated by (b) (7)(C). Four subjects, including (b) (7)(C) were prosecuted and sentenced for submitting false information to the FHA in order to receive the benefit of FHA-insured mortgages, on behalf of straw buyers, for which they were not qualified. The case resulted in 1 suspension; 3 debarments; 6 months incarceration; 144 months of probation; \$5,000 in fines; and \$2,638,784.74 in restitution.	Successful Prosecution
(b) (7)(C)	1/25/2016	HUD OIG received information from HUD Program concerning the questioned disposition of approximately \$90,000 in unaccounted for union funds. The unaccounted funds caused union members to question whether a HUD (b) (7)(C) may have embezzled the funds. (b) (7)(C)	Employee Action
(b) (7)(C)	10/5/2015	HUD OIG received a referral from the HOC QAD alleging Bank of America reported a borrower misrepresented both his occupancy and the sales history of the subject FHA-insured property. Investigation uncovered a mortgage fraud conspiracy involved several fraudulently originated FHA-insured properties. The subject, acting on the borrowers' behalf, prepared, caused to be prepared, and submitted to the lenders, mortgage applications containing misrepresentations and material falsehoods, designed to include the lenders to issue the mortgage loans. (b) (7)(C) due to (b) (7)(C)	Successful Prosecution
(b) (7)(C)	10/9/2015	Single-instance tenant fraud referrals (Section 8 and Public Housing) were administratively documented in this case file. The subjects indicated, during interviews, that they either failed to report or under-reported their income on the certification forms. A total of 8 subjects were charged resulting in 1 employee termination, 156 months of probation, and \$146,187.26 in restitution.	Successful Prosecution

(b) (7)(C)	10/14/2015	The FBI requested HUD OIG assistance in an investigation involving a real estate speculator who allegedly lured investors to place large sums of money with him with the promise of high rates of return on their investment. The real estate investor, through his companies, purchased properties, flipped them to straw buyers, and may have used the proceeds to pay off other investors. Some of the properties were FHA-insured. (b) (7)(C)	Administratively Closed
(b) (7)(C)	4/23/2015	HUD OIG received information concerning a mortgage foreclosure rescue fraud. After administratively opening the file, it was determined that another case agent was already looking into the matter. That matter is still ongoing. This file number was administratively closed.	Administratively Closed
(b) (7)(C)	10/9/2015	HUD OIG received a referral from the HOC QAD indicating suspicious activity concerning a short sale to a borrower who received an FHA-insured mortgage. HUD OIG reviewed QAD's loan referrals and determined that although there were indications of origination fraud, there was neither a discernable pattern of a conspiracy with loan officers, attorneys, real estate agents, or brokers, nor a pattern that indicated fraudulent gift letters, down payments, or employments were used. All 12 loans were indemnified. There was no loss to the Department.	Administratively Closed
(b) (7)(C)	9/11/2015	(b) (7)(C). HUD OIG conducted a review of a sample of the mortgagee's loans and noted several problems related to missing required documents such as payoff statements for first liens and employment records. When the lender was acquired by another lender, this investigation was declined and closed, with no action. (b) (7)(C)	Prosecution Declined
(b) (7)(C)	9/16/2015	TIGTA referred IRS employees to the HUD OIG to determine if any of them fraudulently received the benefit of Section 8 assistance they were not entitled to receive. (b) (7)(C) no loss to HUD and administratively closed the case with no further action warranted.	Administratively Closed
(b) (7)(C)	4/10/2015	HUD OIG proactively reviewed the MA Registry of Deeds to find short sale fraud schemes involving properties secured by FHA-insured mortgages. The review provided no investigative leads or evidence of wrong-doing. The proactive inquiry was closed.	Allegation Not Substantiated
(b) (7)(C)	1/20/2016	(b) (7)(C) HUD-funded Lead Abatement programs. HUD OIG received information from (b) (7)(C) that they (the City) received complaints that specific (b) (7)(C) were mismanaging the program, engaging in conflicts of interest, and not following lead hazard control standards. In 2011, HUD Program officials conducted a monitoring review (b) (7)(C) HOME program and found no significant findings. Interviews with those that managed numerous properties throughout (b) (7)(C) they had no problems working with the lead abatement consultant. (b) (7)(C) (b) (5)	Prosecution Declined

(b) (7)(C)	2/11/2016	The FBI requested HUD OIG's assistance in investigating the CEO of a HUD-funded project, who allegedly provided false financial reports to investors and converted project funds to personal use. HUD OIG and HUD Program collaborated and it led to a Settlement Agreement requiring the project owner to resolve compliance issues that occurred during 2011 through 2014. The terms also required the owner pay \$400,000 in Civil Money Penalties and reimburse HUD \$38,871 for unauthorized loans he took out in 2014.	Prosecution Declined
(b) (7)(C)	5/28/2015	HUD OIG initiated this investigation using information from a known source that a loan officer from (b) processed an FHA loan application that contained false information. A review of 57 FHA loans associated with the loan officer disclosed no loss to (b) (7)(C) and no substantial loss to FHA/HUD.	Prosecution Declined
(b) (7)(C)	3/30/2016	HUD OIG received a Hotline complaint alleging a Housing Choice Voucher Program (Section 8) Participant, intercepted and cashed HAP payment checks meant for her landlord, who passed away. Investigation confirmed the tenant received \$32,000 in funds intended for her father, the landlord. The tenant was removed from the program, and the USAO declined prosecution.	Prosecution Declined
(b) (7)(C)	3/18/2016	HUD OIG received information from (b) (7)(C) that a Section 8 tenant was arrested for kidnapping and unlawfully restraining his wife captive for three years in a Section 8 unit he shared with his mother. The subject was charged by the State, pled guilty, and will serve 2 to 5 years; he will be sentenced in May 2016. The subject's mother failed to report her son's income on her annual certifications and received over \$50,000 she was not entitled to receive. She was terminated from the Section 8 program. (b) (7)(C) (b) (5)	Prosecution Declined
(b) (7)(C)	4/14/2015	USDA OIG provided information that a Section 8 landlord lived with his Section 8 tenant in the subsidized unit and did not report the total household income. The allegations were substantiated and the case was successfully prosecuted by the local District Attorney's Office. The section 8 tenant was sentenced to 4 years incarceration, 3 years of probation, and was ordered to repay approximately \$46,000.00 jointly with her husband, the section 8 landlord, who was also sentenced to 4 years of incarceration and 3 years of probation.	Successful Prosecution
(b) (7)(C)	9/18/2015	This case was a spin-off of another currently active HUD OIG investigation of alleged fraudulent short-sale transactions. Only one fraudulent short-sale transaction was uncovered and as such, (b) (5)	Prosecution Declined
(b) (7)(C)	9/28/2015	HUD CPD alleged misuse of CDBG funds when a grantee was awarded two CPD loans totaling over \$900,000. The grant was supposed to fund the production of a biomass generator that would reduce fuel costs and save 300+ jobs at a local paper mill. Since it was shown that the funds were misspent, the grantee is supposed to repay HUD the funds. The grantee has not repaid HUD. (b) (5)	Prosecution Declined
(b) (7)(C)	6/1/2015	HUD OIG received allegations from a local housing authority indicating that a Section 8 tenant lived with the Section 8 landlord. The investigation disclosed the Section 8 tenant owned the home for which she was receiving Section 8. The section 8 tenant was charged by the USAO with one count of False Statements and she subsequently pled guilty to the charge, agreeing to repay \$135,000 in restitution to the housing authority.	Successful Prosecution

(b) (7)(C)

3/27/2015	HUD OIG received information from (b) (7)(C) alleging that (b) (7)(C) might have received kickbacks from contractors in exchange for awarding housing authority contracts to the contractors. HUD OIG could not substantiate the allegations. In light of this, the USAO declined to prosecute the matter.	Prosecution Declined
8/13/2015	(b) (7)(C), (b) (5) (b) (7)(C) improperly awarded a \$5 million ARRA grant to a contractor (winning bidder) who was not the lowest responsible bidder. (b) (7)(C) alleged that the winning bidder tried to pay (b) (7)(C) to lower their bid so that the winning bidder could win the job. (b) (7)(C) (b) (5)	Prosecution Declined
3/23/2015	HUD OIG received information from SSA OIG alleging that a Section 8 tenant underreported her income to the Burlington Housing Authority. Investigation determined that the allegation had merit. The tenant was sentenced to 12 months probation, a \$10,000 fine, and ordered to pay over \$41,000 in restitution.	Successful Prosecution
3/30/2016	HUD OIG received information from the Office of Audit alleging that the former Executive Director of a local housing authority improperly took more than \$50,000 in housing authority funds upon her termination from the housing authority in March 2014. While the investigation disclosed that the subject took the money, there was question as to whether the subject was entitled to the funds. (b) (7)(C) (b) (5)	Prosecution Declined
1/14/2016	HUD OIG received information from a whistleblower alleging that a contractor hired to perform masonry work on (b) (7)(C) unjustly enriched himself by subcontracting the work to a company in which he had a financial interest. Specifically, the complainant alleged that the contractor was to be paid \$720,000 for the job. The contractor subcontracted the work to a company (subcontractor) in which he had a financial interest. The subcontractor further subcontracted the work to a masonry company at a price of \$537,000. The investigation determined that the contract was not funded with HUD money and therefore had no HUD nexus.	Administratively Closed
3/30/2015	HUD OIG received a referral from a MA housing authority alleging that a Section 8 tenant received subsidy for a unit owned by her in-laws. Investigation substantiated the allegation and as a result, the tenant was terminated, prosecuted, and sentenced to six months home confinement, followed by three years probation, and ordered to pay over \$88,000 in restitution.	Successful Prosecution
3/23/2015	HUD OIG received a complaint from the Hotline alleging (b) (7)(C) teered LHA contracts to a particular vendor and that (b) (7)(C) personally benefitted from the contracts. (b) (7)(C) owned an electric company that was a sub-contractor for (b) (7)(C). Between 2008 through 2012, the general contractor paid the sub-contractor \$31,988. The employee was not involved in bidding process and did not review or award the contracts. (b) (5)	Prosecution Declined
5/28/2015	HUD OIG received information from a known source alleging that the owner of a HUD-subsidized property located in (b) (7)(C) received a \$165,000 kickback from a contractor who won a job that was not properly procured. Investigation corroborated the allegation. The director was sentenced to six months in prison, three years of supervised release, and ordered to pay \$142,927 in restitution.	Successful Prosecution

(b) (7)(C)

7/30/2015	The Boston Housing Authority alleged that a tenant lied about her preference status to jump the waiting list of a project-based apartment building. Investigation determined that several tenants used the same false homeless letter to jump the waiting list of this specific building. However, the investigation could not produce evidence that (b) (7)(C) of the apartment building received payment or benefit from the tenants who jumped the waiting list. (b) (5)	Prosecution Declined
10/13/2015	HUD OIG received information from the MA OIG alleging that a (b) (7)(C) misappropriated funds and concealed the misconduct by altering bank records. Investigation substantiated the allegations and (b) (7)(C) of (b) (7)(C) pled to one count of larceny and was ordered to pay \$1,693.46 in restitution.	Successful Prosecution
2/1/2016	HUD OIG developed information from a different case (this is a spin-off) alleging that a former (b) (7)(C) was selling Section 8 vouchers to unsuspecting persons who thought they were purchasing a voucher, but the employee, in fact, never had access to the vouchers to sell. The subject pled guilty to a local larceny charge and was sentenced to pay \$260 in restitution.	Successful Prosecution
8/20/2015	HUD OIG received a HOC referral alleging an FHA borrower was a straw buyer for a friend. Investigation determined that an individual (the friend) recruited straw buyers to act as FHA-insured borrowers and falsified the loan origination documents pertaining to the straw buyers. Several FHA loans were involved. The straw buyer recruiter was charged with conspiracy and wire fraud and sentenced to 21 months incarceration and ordered to repay the FHA \$237,094.30 in restitution.	Successful Prosecution
11/5/2015	Information learned from an associated investigation (this is a spin-off) indicated that a MA housing authority (b) (7)(C) who provided the housing authority with a list of the units that were to be inspected, prior to the (b) (7) physical inspection. (b) (7)(C) was aware of the scheme and told employees not to let anyone know that the housing authority had the list of apartments prior to the inspections. Three subjects were charged in this case resulting in a total of 21 months incarceration, 24 months of probation, and \$3,000 in fines.	Successful Prosecution
9/18/2015	HUD OIG assisted the JTTF in the aftermath of the (b) (7)(C). Through field interviews, HUD OIG learned that (b) (7)(C) relatives living in a MA housing authority. Investigation determined that (b) (7)(C) relatives falsely reported income and occupancy information to the housing authority for a ten-year period. (b) (7)(C) (b) (5) (b) (7)(C)	Prosecution Declined
3/25/2015	A former housing counselor for a HUD-funded Shelter Care provider alleged that her supervisor abused her position by engaging in nepotism related to the supervisor's administration of the HUD-funded program. The investigation was not able to substantiate the allegations, as a result the investigation was closed.	Allegation Not Substantiated
3/27/2015	HUD OIG received information from HUD Program that (b) (7)(C) allegedly stole housing authority property and misused the housing authority's tax-exempt status for personal gain. Investigation determined that (b) (7)(C) stole \$250. (b) (7)(C) (b) (5)	Prosecution Declined

(b) (7)(C)

7/27/2015	HUD OIG received a Hotline complaint alleging the mayor of (b) (7) and two of his staff members, colluded with the director of the city's Chamber of Commerce and a vendor to ensure that the director and vendor financially benefited by receiving a CDBG-funded grant. Investigation could not substantiate the collusion and determined that all contracted work was completed satisfactorily and furthermore, the contract in question was not funded with HUD CDBG money.	Allegation Not Substantiated
10/26/2015	HUD OIG received information from HUD Program alleging that (b) (7)(C) a MA housing authority (b) (7)(C) n after being accused of embezzling more that \$30,000 in housing authority funds by using the housing authority's credit card. Investigation determined that the subject had already been prosecuted by the local district attorney's office and resigned her position prior to HUD OIG's involvement. HUD OIG referred the subject for debarment.	Referral to Program Staff/HUD
3/9/2015	HUD OIG received information from the FBI indicating that a property housing several Section 8-assisted apartments was set on fire resulting in the deaths of three people, including Section 8-assisted tenants. Investigation determined that the fire was the result of arson and was set in connection with a drug deal gone bad. HUD OIG assisted in the investigation and provided pertinent information relating to the owner of the Section 8-assisted property. Two subjects were charged in this case, went to trial, and were convicted. One subject was sentenced to 174 months in prison. The other was sentenced to life.	Successful Prosecution
7/30/2015	Information received alleged that an individual used a stolen identity to receive housing benefits in (b) (7)(C) Massachusetts. The investigation revealed that the subject was obtaining HUD benefits using the stolen identity; however, (b) (5)	Prosecution Declined
7/30/2015	HUD OIG received information from the FBI alleging that a real estate developer who received HOME funds to build a 52-unit affordable housing development converted some of the money for personal use. The investigation determined that the subject falsely represented the use of funds on payment applications to the lender that escrowed the draw down funds. The subject was charged, pled guilty, and sentenced to 27 months in prison and ordered to pay \$989,900.82 in restitution.	Successful Prosecution
12/3/2015	HUD OIG received information from (b) (7)(C), (b) (7)(D) fraudulently received HUD disaster grants. Investigation determined that the employees, who were also married to each other, falsified applications indicating that their vacation home was their primary residence so that they could receive disaster assistance that they would otherwise not be entitled to receive. The subjects were prosecuted by the State of NJ. They entered into a Pretrial Intervention program and agreed to retire, serve an 18-month probationary period, and ordered to pay \$19,822 in restitution.	Successful Prosecution
12/3/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants. Investigation determined that the employee falsified applications indicating that their vacation home was their primary residence so that he could receive disaster assistance that he would otherwise not be entitled to receive. The subject was prosecuted locally, pled guilty, and entered a deferred prosecution agreement requiring he serve an 18-month probationary period and pay \$116,900 in restitution.	Successful Prosecution



(b) (7)(C)

12/2/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. Investigation determined that the homeowners spent an equal amount of time between one home (b) (7)(C) and the second home (NJ) thus making it difficult to prove which home was the primary residence. (b) (5)	Prosecution Declined
12/3/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. Investigation determined that the subject falsified applications indicating that her vacation home was their primary residence so that she could receive disaster assistance that he would otherwise not be entitled to receive. The subject was accepted into the New Jersey Pretrial Intervention program and will serve a one year probationary period. She was ordered to pay a total of \$17,621 in restitution.	Successful Prosecution
7/30/2015	OI received a referral from OA indicating that a developer of multi-family homes in (b) (7)(C) might have falsified applications in order to receive the benefit of \$4.9 million in the disaster-funded buyout program for which he was not entitled to receive. Investigation determined that the developer did not falsify any information and was, in fact, eligible for the buyout program.	Allegation Not Substantiated
6/12/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. Investigation determined that the applicant did not falsify information concerning his primary residence.	Allegation Not Substantiated
7/14/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. Investigation determined that the applicant did not falsify information concerning his primary residence.	Allegation Not Substantiated
8/12/2015	HUD OIG received information from (b) (7)(C) indicating that a Section 8 tenant falsified her income and occupancy information to the housing authority in order to receive the benefit of rental assistance she was not entitled to receive. Investigation determined that the tenant failed to report her ownership interest in several businesses she owned. (b) (5) Loss was about \$68,047.	Repayment in Lieu of Prosecution
1/28/2016	HUD OIG received information from the NYPD that a Section 8 tenant in one complex was also residing with his wife in a public housing unit. The investigation substantiated the allegations and the overpayment for the Section 8 voucher was about \$63,000. (b) (7)(C), (b) (5) an unrelated matter and was serving time in prison.	Prosecution Declined
1/20/2016	HUD OIG received information from an anonymous source indicating a construction consulting company for (b) (7)(C) engaged in improper business practices by allegedly donating money to political campaigns by ordering their employees to make the donation, then reimbursing the employee by way of a bonus. The investigation could not substantiate the allegations. (b) (7)(C)	Allegation Not Substantiated

(b) (7)(C)

		HUD OIG developed information from a separate investigation (this is a spin-off) indicating that a (b)(7) community development organization submitted false vouchers to (b) (7)(C) requesting payment of (b) (7)(C) for expenses the organization never incurred. (b) (7)(C) (b) (7)(C) submitted multiple fraudulent invoices for payment of services incurred, when, in fact, the services were never performed, in order to conceal (b)(7)(C) theft of the funds. (b)(7)(C)	
	8/12/2015	The subject was charged, pled guilty, and sentenced to 60 months incarceration.	Successful Prosecution
	4/28/2015	HUD OIG received information from law enforcement alleging that an employee of a housing authority in (b) (7)(C)(b) (7)(C), was a ghost employee. (b) (7)(A)	Administratively Closed
	7/21/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. The investigation substantiated the allegation, but prosecution was declined by local law enforcement in favor of the repayment of the \$10,000 grant.	Repayment in Lieu of Prosecution
	9/16/2015	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. Investigation determined that the subject inherited the property in question but had failed to file a deed showing the title change. Allegations of fraud were not substantiated.	Allegation Not Substantiated
	1/8/2016	(b) (7)(C), (b) (5), (b) (7)(E)	Closed by Referral
	8/12/2015	This file was opened to document case hours spent assisting the RATB in evaluating Hurricane Sandy Disaster Fund recipients to determine likelihood of fraud. No investigative activities occurred under this case number.	Administratively Closed
	3/18/2015	(b) (7)(C) engaged in misconduct in connection with their procurement process in hiring contractors. (b) (7)(C) (b) (7)(C) about the procurement process. Nevertheless, the complainant was not able to furnish any other evidence to assist the investigation. As such, the HUD OIG was unable to substantiate the allegations.	Allegation Not Substantiated
	3/20/2016	HUD OIG received (b) (7)(C) alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. Investigation disclosed that the applicant was, in fact, qualified for the grant amid confusion in connection to the separation of the married couple who owned the property. Allegations of fraud not substantiated.	Allegation Not Substantiated
	2/25/2016	HUD OIG received (b) (7)(C) alleging that a homeowner fraudulently received disaster grants and loans by falsifying the address of their primary residence. Investigation determined that there was no fraud. Allegations of fraud not substantiated.	Allegation Not Substantiated

(b) (7)(C)

1/28/2016	HUD OIG received (b) (7)(C) alleging that a mortgage processor submitted false information to a lender to obtain an FHA-insured mortgage. Investigation determined that the mortgage processor generated fraudulent employment and bank records to help a borrower qualify for a loan he would not have otherwise received. The subject was sentenced to serve 36 months in prison and was ordered to pay \$23,000 in restitution.	Successful Prosecution
7/6/2015	HUD OIG received (b) (7)(C) alleging (b) (7)(C) might have kited 203(k) funds and furthermore, several loans originated by (b) (7)(C) were fraudulent. Investigation determined that (b) (7)(C) failed to exercise quality control processes in originating FHA-insured loans and entered into a Settlement Agreement with the USAO, agreeing to pay \$36 million and the owner agreed to pay \$300,000, individually.	Successful Prosecution
1/25/2016	HUD OIG received information from a NJ housing authority alleging that (b) (7)(C) was stealing oil from the housing authority sites and selling it for personal gain. Subject passed away during the course of the investigation, as a result prosecutorial interest was declined.	Prosecution Declined
7/14/2015	(b) (7)(C)   (b) (7)(C), (b) (5) (b) (7)(C) the lender failed to exercise quality control and due diligence in originating FHA-insured mortgages. (b) (7)(C), (b) (5) (b) (7)(C), (b) (5)	Administratively Closed
1/28/2016	HUD OIG proactively reviewed a CPD monitoring report that indicated a grantee (b) (7)(C), (b) (7)(C) may have misused (b) (7)(C) grant funds. Investigation could not find evidence that the grantee misused homeless funds. Proactive review was closed with no further action contemplated.	Allegation Not Substantiated
7/14/2015	(b) (7)(C) in determining whether (b) (7)(C) grantee misused CDBG funds involving (b) (7)(C). Investigation reviewed 10 years worth of financial and other records but could not substantiate any allegations of wrongdoing. The USAO declined to move forward.	Prosecution Declined
9/1/2015	HUD OIG received information from a loan officer indicating that a CPA created false tax returns and fraudulent qualifying documents for FHA-insured mortgages. Investigation corroborated the allegations and also determined that the CPA was involved in an unemployment check claim scheme in Essex County, NJ. The subject was charged and pled guilty to both federal (false documents in connection with the mortgages) and county charges in connection with his admission to submitting 36 fraudulent claims for unemployment benefits totaling \$700,000. The subject was sentenced to a total of 12 years in prison and ordered to pay restitution of \$1,315,151.98.	Successful Prosecution
5/19/2015	HUD OIG received (b) (7)(C) alleging that the owner of an insurance investment group helped homeowners obtain HECM loans, and then kept their proceeds for his own personal use. The investigation corroborated the allegations, however, simultaneous to the investigation, the subject was charged locally for his involvement in the scheme and was sentenced to 10 years in prison and ordered to pay restitution of approximately \$1.5 million. (b) (5)	Prosecution Declined
5/19/2015	HUD OIG received (b) (7)(C) alleging that (b) (7)(C) rented a Section 8 apartment to his mother and was also living with her. Investigation determined that (b) (7) admitted to this conduct, claiming that his mother was elderly and frail and required constant care. (b) (5)	Prosecution Declined

(b) (7)(C)

8/12/2015	HUD OIG received information from a housing authority tenant that the Section 8 coordinator demanded sexual favors from her in exchange for giving her a Section 8 voucher. Investigation tried to determine the veracity of the allegations, however, the complainant refused to be interviewed and refused to provide any other information that would assist the investigation. As such, the local district attorney's office declined to continue the investigation.	Prosecution Declined
5/1/2015	HUD OIG received (b) (7)(C) indicating that a former PHA housing authority employee accepted sexual favors in exchange for forgiving tenant rent arrears. Investigation conducted numerous interviews of the tenants, but could not corroborate the allegation. Investigation also learned that the original complainant who accused another employee of accepting sexual favors was a fired housing authority employee who was suing the PHA for wrongful termination. Case was administratively closed due to lack of evidence a crime was committed.	Allegation Not Substantiated
7/7/2015	HUD OIG received (b) (7)(C) indicating that a Section 8 tenant may have submitted multiple false documents to FEMA in an effort to obtain FEMA rental assistance following Hurricane Sandy. Investigation determined that the tenant might have suffered damage to her apartment but never advised the housing authority of the damage nor did she report her receipt of FEMA funds as a form of income. The subject entered into a pretrial diversion and was terminated from the Section 8 program.	Successful Prosecution
1/28/2016	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. The investigation could not substantiate the allegations.	Allegation Not Substantiated
2/2/2016	HUD OIG received information from law enforcement alleging that a homeowner fraudulently received HUD disaster grants by falsifying the address of their primary residence. The Investigation could not substantiate the allegations.	Allegation Not Substantiated
1/29/2016	HUD OIG received (b) (7)(C) indicating that a disaster applicant received an SBA loan, private insurance, and HUD CDBG-DR funds to fund the demolition and rebuilding of his home. The homeowner hired a contractor who has accepted funds from the homeowner, but has not fulfilled the rebuilding efforts he was hired to do. Investigation determined there was no evidence of fraud committed against HUD or the SBA and that the homeowners predicament would best be served by private lawsuit.	Allegation Not Substantiated
2/2/2016	HUD OIG received (b) (7)(C) alleging that (b) (7)(C) might have (b) (7)(C) requirement to provide an unfair bidding advantage to a contractor who was awarded a \$6.6 million contract to rebuild (b) (7)(C) following Hurricane Sandy. Investigative interviews and document reviews failed to substantiate the allegations.	Allegation Not Substantiated
6/17/2015	HUD OIG received information from an anonymous source alleging that a HUD-funded multifamily building (b) (7)(C) sold two apartments to tenants (b) (7)(C), allowing the tenants to skip the waiting list. Investigation corroborated the allegations and determined that over two dozen individuals paid cash to the (b) (7)(C) and her co-conspirators in exchange for jumping the waiting list to move into vacant apartments. The property manager was charged with conspiracy to accept bribes and submitting false statements to HUD and was later convicted by a jury. She was sentenced to serve one year and a day in prison.	Successful Prosecution

(b) (7)(C)

		HUD OIG received (b) (7)(C) alleging (b) (7)(C) misappropriated \$300,000 of SHP grant funds. Investigation confirmed one of the providers could not justify their costs or used the funds for unallowable expenses, but the issues did not rise to a criminal level. (b) (7)(C)	
	12/3/2015	(b) (7)(C)	Closed by Referral
	9/14/2015	HUD OIG received information from a confidential informant alleging that a (b) (7)(C) misspent \$250,000 of SHP grant funds. Investigation determined that (b) (7)(C) could not justify the costs reported to HUD and that they failed to make these reports on certain required forms. HUD OIG referred the matter to CPD, who agreed to meet with the provider and train them on the use of HUD-required reports. No evidence of crimes were uncovered.	Allegation Not Substantiated
	6/11/2015	The NYS Banking Division referred HUD OIG a complaint alleging that someone was impersonating a HUD employee and then solicited \$6,000 from a homeowner to begin a loan modification. The funds were wired off-shore. (b) (5)	Prosecution Declined
	8/12/2015	HUD OIG received information from a complainant who alleged that (b) (7)(C) was violating Housing Quality Standard Regulations. The complainant claimed that for the past several years he and his family have had to endure black mold due to a substantial leak coming from the shaft ventilation area. Dateline recorded and aired a show about his situation in January 2014 called "Breathless." Based upon the nature of the allegations, specifically the non criminal nature of the matter, this situation was referred to NYCHA for resolution.	Closed by Referral
	1/7/2016	HUD OIG received an anonymous complainant alleging that the Section 8 coordinator of a local housing authority had placed tenants in public housing units who were not on the waiting list. Information received later indicated a bigger problem with this housing authority. As such, this case is closed and the matter was absorbed into an ongoing investigation.	Administratively Closed
	1/8/2016	HUD OIG received a complaint alleging that a Section 8 tenant is allowing an unauthorized tenant to live with her. Due to realigned priorities and lack of resources, this case was administratively closed with no further action contemplated.	Administratively Closed
	1/28/2016	(b) (7)(C) that (b) (7)(C) 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. Furthermore, 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 (b) (7)(C) monitoring staff. (b) (7)(C), this matter was administratively closed.	Administratively Closed
	8/24/2015	HUD OIG received information from an (b) (7)(C) who alleged that individuals who were lower on the waiting list were provided preferential treatment and were moved up on the waiting list because they paid upwards of \$5,000.00 to the building "super." Allegations were unable to be substantiated, as a result this matter was administratively closed.	Administratively Closed

(b) (7)(C)

	3/31/2016	A referral from a local private property manager alleged a Housing Choice Voucher (HCV) tenant did not report income from a child care business she was running out of her HUD-subsidized unit and from two rental properties she owned. The HUD OIG investigation disclosed the HCV tenant did not run a day care business; however, was receiving \$990 per month since 2010 as a HCV landlord for a property she owned. The HCV tenant pled guilty to state charges of theft and was sentenced to 10-years incarceration, with all but 9 days suspended. Additionally, the HCV tenant/landlord paid restitution to HUD in the amount of \$15,070.	Successful Prosecution
	2/2/2016	A request for assistance from the FBI initiated this investigation. The FBI received allegations regarding a possible "pay-to-play" scheme wherein contractors were required to pay monies to employees of a local city housing development agency. Allegedly contractors paid a monetary amount to be on the list of contractors considered for participation and then paid either a monetary kickback or a kickback in materials when awarded a specific job. Efforts by the FBI and HUD OIG to substantiate the allegations were unsuccessful and the case was declined for prosecution in this case, due to insufficient evidence and statute of limitation concerns.	Prosecution Declined
	4/7/2015	A complainant's referral alleged that he uncovered a fraud involving appraisals of real properties with FHA Insured loans. Allegedly, an unlicensed appraiser, was completing FHA appraisals and having a licensed appraiser sign the appraisals as if he had appraised the properties. Additionally, it has been alleged that the appraisals contained inflated values and the requests to inflate the values of the appraisals came from loan officers employed by a mortgage company that originated FHA Insured loans. (b) (7)(C), (b) (5) [REDACTED] it was decided to administratively close the investigation.	Administratively Closed
	4/7/2015	A referral from the FBI alleged that a loan officer, attorney, and a property investor were conspiring to commit mortgage fraud involving FHA and conventional mortgagees. The investigation determined the three individuals were engaged in a criminal conspiracy to defraud banks that originated FHA and conventional mortgages. All three were convicted on federal wire and bank fraud charges. (b) (7)(C), (b) (5) [REDACTED]	Successful Prosecution
	7/8/2015	Social Security Office of Inspector General made a referral alleging a housing authority Section 8 tenant was collecting their subsidy using alias identity for the purpose of hiding their income. Allegedly the alias identity was also used to earn income as a teacher. Prosecution was declined on this matter. The subject was administrative removed from program participation.	Referral to Program Staff/HUD
	4/13/2015	A source provided the following allegations: (b) (7)(C) [REDACTED] paying "kickbacks" to brokers who refer FHA insured mortgages to the mortgage company. The "kickbacks" being paid to brokers are disguised as payroll checks to "ghost" employees. The investigation did not substantiate the kickback allegation. The investigation did however uncover that fraudulent documentation was used in order for a borrower to qualify for the FHA loan. (b) (5) [REDACTED]	Referral to Program Staff/HUD

(b) (7)(C)

3/8/2016	A HUD employee reported that a member of a Housing Authority (HA) Board, reported results of an internal investigation. The internal investigation uncovered the Executive Director (ED) while at work and being paid for used HA funds and directed personnel to maintain a public official's rental properties among other irregularities. The investigation also revealed that another board member was aware of the conduct but failed to inform anyone or take action. The individual was criminally charged and the charges were dismissed. Upon the charging of the individual, the Departmental Enforcement Center administratively suspended the individual.	Referral to Program Staff/HUD
10/15/2015	(b) (7)(C) reported that their initial review and audit of the multiple grant and sub-grant recipients of HOPWA funds with the purported purpose of rehabilitating homes that provide housing for people living with AIDS, revealed multiple irregularities and potential fraud indicators. The grantees received \$193,805.00 in HOPWA funds to date, and have failed to provide sufficient source documentation, and questionable costs. Prosecution was declined due to the weak contract language and lack of oversight of the project. As a result of the lack of oversight of the project, the project was left vulnerable to vandalism and thefts, which ultimately made it difficult to hold the grantee and/or subgrantee accountable for the failed project.	Prosecution Declined
12/22/2015	Anonymous complainant reports that a maintenance foreman and other employees of a Housing Authority are using Housing Authority equipment for personal gain on their private businesses and rentals, are fraudulently recording time and attendance and overtime hours, have used HA funds to make personal expenditures. (b) (7)(C) have received illicit funds for the subject for the purpose of doing favors. The investigation did not uncover that the subject stole HA equipment of conducted work on HA time. The investigation also did not uncover all illegalities of HA employees. Based on the allegations being unfounded the matter was declined for criminal action by an Assistant United States Attorney.	Prosecution Declined
6/16/2015	A HUD, (b) (7) employee reported that a fellow employee may be misusing his position, (b) (7)(C) by engaging in unethical and criminal conduct. According to the complainant the (b) (7)(C). It was reported that he has discovered a number of properties (primarily in California and Florida) that were sold for what appears to be (b) (7)(C). Three examples of files containing fraud involving the subject were presented. One of the files involves a female, who appears to live near where the subject previously resided in (b) and where (b) (7)(C) currently live. (b) (7)(C) employee was sentenced in U.S. District Court to 26 months incarceration, 36 months supervised release and ordered to pay \$843,400 in restitution to HUD. As part of the plea agreement, the individual voluntarily agreed to debarment and immediate and permanent voluntary exclusion for covered transactions.	Successful Prosecution
9/2/2015	This was a spin off investigation. A HUD, (b) (7) employee, admitted that she improperly accessed a co-workers computer without his permission to retrieve real estate documentation, emails and other documents. (b) (7)(C), (b) (5) declined prosecution. (b) (7)(C), (b) (5)	Employee Action

(b) (7)(C)

		<p>This Investigation was initiated to address recent local media allegations involving (b) (7)(C). This individual (b) (7)(C). The investigation also addressed events held in honor of (b) (7)(C) in which employees and contractors were allegedly solicited to contribute to these events. Additionally, allegations were investigated regarding employee contributions to various non-profit organizations. The matter was jointly investigated by multiple Federal Law Enforcement Agencies. During the course of the investigation voluminous amounts of financial records were analyzed. All of the information developed during the course of the investigation were reviewed with the assigned Assistant United States Attorney (AUSA). Ultimately, the AUSA declined prosecution.</p>	Prosecution Declined
	10/14/2015		
		<p>(b) (7)(C) involving a loan origination fraud investigation of a mortgage company. It was alleged that the mortgage company employees were originating both conventional and FHA insured loans with fraudulent documents, including W2's, pays stubs, and inflated appraisals. The subject mortgage company allegedly has many branch offices including offices in (b) (7)(C). Their main branch is (b) (7)(C) business associates of the mortgage company have also been the targets of criminal investigations for their involvement in fraudulently originated loans. During the course of the investigation no evidence of fraud was uncovered.</p>	Administratively Closed
	5/12/2015		
		<p>This investigation was initiated to investigate individuals and entities identified in a prior investigation. The parties involved are alleged to be involved in a scheme to fraudulently originate Federal Housing Administration (FHA) and conventional mortgages by submitting loan applications containing false information and fraudulent documentation. Eleven individuals were prosecuted and received incarceration sentences ranging from 1 month to 60 months. Most of the defendants were assessed restitution. The highest restitution assessed was approximately \$800,000. All were referred to the Departmental Enforcement Center for suspension and debarment.</p>	Successful Prosecution
	7/10/2015		
		<p>(b) (7)(C) referred a Qui Tam. In violation of the Housing Choice Voucher Program, the plaintiff's landlord charged her \$79/month in excess of her portion of the allowable rent payment. Plaintiff alleges from 2007-2013, she overpaid \$5,515 to the subjects, and the housing assistance payments received by her landlord totaled \$39,809. The parties agreed to settle for \$19,120. The landlord was barred for three years from participation in HUD's Section 8 program. As a whistleblower the plaintiff received a percentage share of the settlement proceeds. Additionally, the landlord was ordered to pay the plaintiff's legal fees.</p>	Successful Prosecution
	5/12/2015		
		<p>(b) (7)(E), (b) (5)</p> <p>The investigation resulted in the evictions of four head of households who harbored sex offenders.</p>	Referral to Program Staff/HUD
	7/22/2015		
		<p>The investigation was initiated from (b) (7)(C) referral alleging that two individuals believed to be married and separated applied for Superstorm Sandy grants and both indicated on the applications that the home was their primary residence. Based on the facts that no funds were disbursed as a result of the fraud, the prosecution was declined.</p>	Prosecution Declined
	9/21/2015		



(b) (7)(C)

11/18/2015	Complainant reported to the hotline that (b) (7)(C) is misusing his office and abusing his authority by directing Housing Authority personnel on official time to provide support and resources for his private development company. The investigation determined that the alleged private development company was not a private company it was a HUD sponsored tax credit entity. Additionally, the Housing Authority has a shared services agreement with the tax credit entity. No criminal issues were identified.	Administratively Closed
3/3/2015	(b) (7)(C) with the National Center for Missing and Exploited Children (NCMEC), indicating a match on a missing child (NCIC). The individual identified was living in public housing (b) (7)(C), (b) (7)(C). It was determined that the alleged missing child was living with her dad and was listed in the family composition in a subsidized public housing unit. After the dad was arrested on a warrant the missing child was located and is now residing with her mom.	Referral to Program Staff/HUD
11/23/2015	An Assistant United States Attorney referred a complaint received regarding possible landlord fraud at a property in (b) (7)(C). The reporting agent interviewed a resident at a development, who alleged that a number of residents are illegally receiving Section 8 rental assistance for their units as they are related to the owners of their units. After several alleged instances of landlord fraud were investigated and unsubstantiated the remaining alleged cases were referred to a local housing authority's Office of Audit and Compliance to investigate.	Referral to Program Staff/HUD
11/23/2015	A housing authority employee reported that a HCVP tenant had been in a nursing home since 2012. It was alleged that her son, who is not listed on the family composition, had been illegally residing as an unreported lodger in her unit. The total HAP paid to the landlord during the time she was in a nursing home was \$22,465. During the course of the investigation the HCVP tenant alleged to have been residing in the nursing home died.	Administratively Closed
3/3/2016	Information was received from a financial institution that at least twenty three loans submitted by a limited liability corporation are currently delinquent. In addition, the seller's Title Company and Appraiser were the same parties in several of the transactions. In some cases it was determined that the bank statements submitted by the LLC were fraudulent. Allegedly, in several of the transactions the borrowers were straw borrowers/buyers. The orchestrator of the mortgage fraud was sentenced in U.S. District Court to 61 months incarceration and 60 months probation. He was ordered to pay \$3.356 Million in restitution.	Successful Prosecution
3/31/2016	A referral from the HUD, Atlanta Homeownership Center, Quality Assurance Division, alleged potential RESPA violations by a mortgage lender for canceling purchase incentives for potential borrowers if the borrowers did not use their preferred title company and that the lender used bad practices to underwrite loans to support an associated builder. The investigation did not substantiate the allegations. Borrower interviews determined that the lender did not use any fraudulent means to originate the loans. Additionally a data search conducted through the Single Family Data Warehouse revealed that there were no loses to HUD at that time. The (b) (7)(C), (b) (5) the case was declined.	Prosecution Declined

(b) (7)(C)

	3/31/2016	A referral from the HUD, Santa Ana Homeownership Center, Quality Assurance Division, alleged that a mortgage company originated a loan where the sales price was inflated in order to include the closing costs. The Santa Ana Homeownership Center entered into an indemnification agreement with the company for the loan in question pertaining to their wrongdoing. During an interview with HUD, it was revealed that the builder of the home often provided money towards closing costs. In addition, most of the homes built by the builder were referred to their preferred lender. The lender alluded to HUD that this is a common practice and that the builder has an addendum, which gives borrowers the option to raise the sales price in order to cover the closing costs. The investigation did not substantiate the allegations. A subsequent Post Endorsement Technical Review uncovered a closing cost addendum in the mortgage file which the lender withheld from their file when it was submitted to HUD. HUD-QAD entered into an indemnification agreement with the lender. (b) (5)	Prosecution Declined
	3/3/2015	A referral from the U.S. Department of Homeland Security (DHS), Office of Inspector General (OIG) identified tenants under investigation for misrepresenting their primary home on FEMA disaster assistance applications. Research on property addresses through HUD databases identified a Section 8 participant who received Section 8 assistance at the same address as a damaged property which was associated with a FEMA issued a claim in the amount of \$11,843 for rental assistance. The Section 8 participant was notified that he/she could not receive any other Federal, State or Local housing assistance which receiving Section 8 benefits. Investigation determined that the Section 8 participant had filed an application for FEMA assistance for damage to his/her personal residence, and subsequently filed declarations with FEMA falsely stating that he/she was not receiving housing assistance from another Federal agency, including HUD. As a result of the false statements to FEMA, the Section 8 participant received approximately \$11,843 in FEMA benefits that he/she was not entitled to receive. Additionally, false certifications were submitted to HUD stating that no other assistance was being received, when he/she was continuing to received FEMA assistance. The Section 8 participant was sentenced in U.S. District Court to five years probation, and ordered to pay a special assessment of \$200 and restitution in the amount of \$11,843.	Successful Prosecution
	3/18/2015	A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications submitted for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. (b) (7)(C) determined that the subject on his/her tax return, listed a different address as his/her primary residence. Eligibility requirements for the RSP and RREM require that homeowners must have owned and occupied the damaged property address as their primary residence at the time of storm to qualify. Investigation determined that the grant applicant owned multiple properties at the time of the storm. The applicant's driver's license and tax returns indicated a different address than what was listed as the applicant's primary address. (b) (5)	Prosecution Declined

(b) (7)(C)

		<p>A referral from the New Jersey Division of Criminal Justice alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. The investigation determined that the grant applicant owned multiple properties at the time of the storm. [REDACTED] (b) (7)(C), (b) (5)</p>	
	11/23/2015	[REDACTED] the case was declined.	Prosecution Declined
		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. The investigation determined that there were many discrepancies in regard to the grant applicant's primary residence claims. [REDACTED] (b) (7)(C), (b) (5)</p>	
	9/21/2015	[REDACTED] the case was declined.	Prosecution Declined
		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed that damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. The investigation determined that the grant applicant had listed the damaged property for sale and was residing in another state at the time of the storm. The grant applicant was ordered to pay \$2,270 by the State of New Jersey, and upon receipt of payment was granted Pretrial Intervention.</p>	
	3/1/2016		Successful Prosecution
		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. Investigation determined that the grant applicant did not reside at the damaged property at the time of the storm. The grant applicant was charged by summons in the State of New Jersey. The grant applicant applied for and was denied Pretrial Intervention due to a previous conditional discharge. He later pled guilty and paid full restitution to his victims, including \$10,000 to the state of New Jersey for defrauding the RSP program.</p>	
	11/23/2015		Successful Prosecution

(b) (7)(C)

		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. Investigation determined that the grant applicant and his/her spouse separated prior to the storm, and the applicant provided sufficient documentation to the OIG to demonstrate that he/she lived at the damaged property at the time of the storm. (b) (7)(C), (b) (5)</p>	
	12/22/2015	<p>the case was declined.</p>	Prosecution Declined
		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. Investigation determined that the grant applicant did not reside at the damaged property at the time of the storm. The applicant was charged and sentenced to 3 years probation with a 1 year incarceration suspended sentence. The applicant was also ordered to pay restitution in the amount of \$31,900 to FEMA and \$186,309.49 to the State of New Jersey.</p>	
	4/8/2016		Successful Prosecution
		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. Investigation determined that the grant applicant withdrew from the RREM and RSP programs and subsequently repaid all funds that were previously disbursed as part of the grants. (b) (7)(C), (b) (5)</p>	
	12/22/2015	<p>the case was declined.</p>	Prosecution Declined
		<p>A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that two disaster grant applicants falsely claimed the damaged property to be their primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. Investigation determined that one of the applicants repaid the RSP grant and the other reached a settlement agreement after submitting sufficient documentation to support the damaged property was his/her primary residence at the time of the storm and reached a settlement agreement which stated that the applicant was eligible for RSP. (b) (7)(C), (b) (5)</p>	
	3/21/2016	<p>the case was declined.</p>	Prosecution Declined

(b) (7)(C)

	12/22/2015	A referral from the New Jersey Division of Criminal Justice (NJDCJ) alleged that a disaster grant applicant falsely claimed the damaged property to be his/her primary residence on applications for the Homeowner Resettlement Program (RSP) and the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) grant programs. Eligibility requirements for the RSP and RREM grants require that the homeowners must have owned and occupied the damaged property as their primary residence at the time of the storm to qualify. Investigation determined that grant applicant was residing at the damaged property at the time of the storm. (b) (7)(C), (b) (5)	Prosecution Declined
	3/30/2016	A referral from the Federal Bureau of Investigation (FBI) alleged that disaster assistance grant recipients were using grant funds for unallowable expenses. The investigation determined that the grant recipients paid the contractor with some of the grant funds received, but not all. Investigation was closed with no further investigation after it was determined that the allegations were a civil matter with minimal likelihood of HUD losses.	Administratively Closed
	1/11/2016	A referral from Ginnie Mae's MBS Single-Family Division alleged underwriting violations and income misrepresentations on a FHA insured mortgage. Investigation revealed a larger fraud scheme involving numerous properties. The conspirators committed mortgage fraud by recruiting straw buyers, and qualifying borrowers with fraudulent income and employment. (b) (7)(C), (b) (7)(E), (b) (5)	Successful Prosecution
	3/31/2016	A referral from the HUD, Quality Assurance Division (QAD), alleged that false bank statements were used to obtain an FHA insured mortgage for a federal employee. The investigation determined that the documents were fraudulent. (b) (7)(C)	Prosecution Declined
	3/31/2016	A referral from the U.S. Marshals Service's Sex Offender Squad alleged that an individual participating in a HUD subsidized rental program had allowed a sex offender to reside in the subsidized unit. Investigation determined that the head of household had A not listed the sex offender as a household member on the household composition submitted for recertification. The sex offender had also not properly registered. (b) (7)(C), (b) (5)	Prosecution Declined

(b) (7)(C)

3/31/2016	A proactive initiative identified a missing child through a data match with the national Center for Missing and Exploited Children and HUD's PIC and TRACS databases. The investigation determined that the head of household never notified the housing authority that the child was missing and continued to include the child on the household composition. The head of household was sentenced in Maryland to 14 days incarceration and 3 years probation, with no restitution ordered by the court.	Successful Prosecution
1/11/2016	Investigation was initiated after information was received by the OIG which alleged that a federal employee had an unauthorized tenant living in his/her subsidized unit. Investigation determined that the unauthorized tenant was on probation for drug charges and the head of household had altered pay stubs submitted for continued assistance. The head of household was sentenced in the State of Maryland to 10 years incarceration, all but 6 months were suspended, with incarceration served as home detention; and ordered to pay restitution in the amount of \$12,316.	Successful Prosecution
4/5/2016	A proactive initiative identified two missing children through a data match with the National Center for Missing and Exploited Children and HUD's PIC and TRACS databases. The children were found listed on the household composition for a HUD subsidized rental unit. Investigation determined that the children were taken out of the country by a non-custodial parent. The children were allowed to remain on the household composition by property management, as long as proof could be provided that efforts were continuing to return the children. The head of household removed the children from the composition. The U.S. Attorney's Office declined prosecution of the head of household.	Prosecution Declined
3/31/2016	A referral from the FBI alleged a local Housing Choice Voucher (HCV) recipient underreported their annual income, which allowed him to fraudulently receive housing assistance payments from the local housing authority. The joint HUD OIG and FBI investigation determined the HCV recipient also did not accurately report his income on two car loans. The HCV recipient plead guilty to one count of Wire Fraud, 18 USC 1342 for a no loss loan in U.S. District Court and was sentenced to 2 years supervised release.	Successful Prosecution
11/18/2015	A referral from SSA OIG alleged a Housing Choice Voucher (HCV) landlord and tenant were the same person using different social security numbers and last names. The investigation was worked jointly by HUD OIG, SSA OIG, and PHA OIG. The investigation resulted in the HCV tenant who was both a landlord and tenant being charged in U.S. District Court with Theft and being sentenced to 60 months probation and ordered to pay restitution in the amount of \$117,471.09.	Successful Prosecution
6/26/2015	An investigation was initiated from a proactive comparison of Sex Offender Registration information for Atlantic County, NJ against PIH records of subsidized addresses yielded information suggesting a registered offender was improperly residing in the Housing Choice Voucher (HCV) assisted unit of his sister. The investigation resulted in the HCV tenant being charged by the state with Theft by Deception and sentenced to 36 months probation and ordered to pay \$8,925.00 in restitution.	Successful Prosecution
7/14/2015	A referral from the New Jersey Department of Criminal Justice (NJDCJ) Sandy Taskforce alleged an individual applied for two separate Hurricane Sandy Homeowner Resettlement Program (RSP) grants. (b) (7)(C), (b) (5) was declined.	Prosecution Declined

(b) (7)(C)

2/17/2016	A referral from the New Jersey Division of Criminal Justice (NJDCJ) Sandy Task Force alleged an individual misrepresented her primary residence for the purpose of receiving a \$10,000 Homeowner Resettlement Program (RSP) grant. The investigation determined the property was not their primary residence. The individual was charged in state court with Theft by Deception and Unsworn Falsification. The individual pled guilty and accepted Pretrial Intervention (PTI). The individual was sentenced to pay restitution in the amount of \$10,000 to the state, \$13,148 to the Federal Emergency Management Agency (FEMA), complete 100 hours of community service and 12 month of PTI supervision.	Successful Prosecution
7/17/2015	A referral from the New Jersey Department of Criminal Justice (NJDCJ) Sandy Task Force alleging a paving company was awarded a 4.7 million contract funded with Community Development Block Grant Disaster Recovery (CDBG-DR) funds for demolition and debris removal of a boardwalk and structures destroyed by fire during Hurricane Sandy. Allegedly (b) (7)(C) which was damaged as a result of the fire. (b) (7)(C), (b) (5) was declined for prosecution.	Prosecution Declined
6/29/2015	A referral from the New Jersey Department of Criminal Justice (NJDCJ) Sandy Task Force alleging an individual misrepresented his primary residence for the purpose of receiving a \$10,000 Homeowner Resettlement Program (RSP) grant and a \$75,000 Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) grant. The investigation disclosed that the individual did not reside at the property as their primary residence and the property was a second home. The findings of this investigation were referred to the NJDCJ Attorney General and an agreement was reached where the individual repaid the \$85,000 in awarded grant funds to the NJ Division of Community Affairs.	Repayment in Lieu of Prosecution
4/4/2016	A referral from the New Jersey Department of Criminal Justice (NJDCJ) Sandy Task Force alleging a husband and wife misrepresented their primary residence for the purpose of receiving a \$143,061 Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) grant. The investigation disclosed the couple did not reside at the property as their primary residence and the property was a second home. The findings of this investigation were referred to the NJ Department of Criminal Justice, Attorney General for prosecutorial consideration and accepted for prosecution. The husband pled guilty to state charges of one count of Theft by Deception and repaid \$143,051.24.	Successful Prosecution
1/28/2016	A referral from the New Jersey Division of Criminal Justice (NJDCJ) Sandy Task Force alleged a husband and wife misrepresented their primary residence for the purpose of receiving a \$10,000 Homeowner Resettlement Program (RSP) grant. The investigation determined the property was not their primary residence. The couple was charged in state court with Theft by Deception and Unsworn Falsification. The couple pled guilty and accepted Pretrial Intervention (PTI). They were sentenced to pay restitution in the amount of \$10,000 to the state, \$13,900 to the Federal Emergency Management Agency (FEMA), complete 12 month of PTI supervision.	Successful Prosecution
12/22/2015	A referral from the New Jersey Division of Criminal Justice (NJDCJ) Sandy Task Force alleged a husband and wife provided false information when they applied for Reconstruction, Rehabilitation, Elevation and Mitigation (RREM), Housing Resettlement Program (RSP), and Landlord Rental Repair Program (LRRP) grants. The findings of the investigation (b) (5), (b) (7) and was declined. (C)	Prosecution Declined

(b) (7)(C)

	10/13/2015	<p>A referral from the FBI alleging potential kickbacks being requested of subcontractors by developers of public housing developments in one state may be doing the same illegal activities in the state of (b) (7)(C). Subcontractors made allegations to the FBI that they were being pressured by developers of projects they were working on to make donations to a specific foundation. Additionally, the amount of the donation was allegedly based on the overall dollar amount of work each subcontractor had been hired to perform. (b) (7)(C) was declined.</p>	Prosecution Declined
	9/30/2015	<p>A referral from a local housing authority Executive Director alleged a former landlord participating in the Housing Choice Voucher (HCV) Program was erroneously paid subsidy for a former tenant by the housing authority after the tenant moved out of the landlords property from February 2013 through July 2013. Additionally, it was alleged subsidies for other tenants were erroneously paid to the subject landlord during the period February 2013 through July 2013, totaling \$11,548. The housing authority notified the subject landlord of the error and he made no attempts to contact the housing authority or refund the money. Investigation disclosed that one of the HCV tenants was married to the landlord receiving payments for one of the properties. (b) (5), (b) (7)(C) was declined.</p>	Prosecution Declined
	2/17/2016	<p>This investigation was initiated based on a request from the U.S. Attorneys Office to assist in a civil suit. The complainant alleged a former Executive Director of a Redevelopment Authority (RA), while employed as the Executive Director, was also working a second job, during normal business hours, performing inspection services for a number of private entities and utilized the RA facilities and equipment to accomplish tasks associated with his inspection-related activities of the second job. The complainant also alleged the former RA Executive Director engaged in the alleged conduct with the knowledge and consent of public officials. Investigation disclosed the former ED did engage in secondary employment performing electrical inspections, but there was no sufficient evidence to corroborate the former ED engaged in these activities during normal RA business hours or used RA resources in furtherance of his secondary employment. As a result, (b) (7)(C) declined to intervene in this civil suit.</p>	Prosecution Declined
	7/8/2015	<p>An allegation from an anonymous complainant alleged a Housing Authority paid \$107,000 for a property when a similar property down the street was for sale for \$50,000. The target property was sold by a neighborhood bank. Allegedly the individual who orchestrated the sale had a conflict of interest as she was a Vice President for the bank while at the same time she was on the Board of Directors for the Housing Authority. The investigation determined the Housing Authority did not utilize any HUD funding to acquire the subject property and consequently, was not required to seek or obtain approvals from HUD officials to do so. Based on these investigative findings no further investigation was warranted and the case was closed.</p>	Allegation Not Substantiated



(b) (7)(C)

		<p>A referral from a local Housing Authority alleged a landlord is collecting Housing Choice Voucher (HCV) payments while residing with the female tenant of the landlords unit. Investigation disclosed the landlord was operating his window cleaning business from the HCV subsidized unit occupied by the female tenant. Investigation also disclosed the landlord periodically stays overnight at the HCV subsidized unit with the tenant. This case was declined for prosecution (b) (7)(C), (b) (5)</p>	
	10/8/2015	<p>Investigation did result in the landlord being removed from the HCV Program.</p>	Referral to Program Staff/HUD
	9/2/2015	<p>A complaint was received alleging that a unreported tenant was living in a Housing Choice Voucher subsidized property. This unreported tenant was alleged to be vandalizing and stealing from the surrounding neighbors. The complainant also alleged the subsidized property went through foreclosure and was re-sold. Investigation revealed that the previous landlord and owner of the subsidized property sold the property to the head of household receiving the HCV for the same property. Then the head of household subsequently sold the property to another individual. Despite the property being sold twice, the original owner has remained as the owner for HUD subsidy payment purposes during the entire period the head of household has been receiving a HCV subsidy to reside in the property. It was further disclosed through investigation that the head of household was a loan officer with a now defunct mortgage company. Other entities identified this individual as originating mortgages containing false documentation. The owner of this subsidized property has also appeared as the owner of other properties in the Section 8 Program for which she transferred to other individuals. Prosecution by the U.S. Attorney's Office of individuals of this investigation have resulted in one individual being sentenced to 51 months incarceration and ordered to pay 1.13 million dollars and one individual being sentenced to 33 months incarceration and three years supervised release; and one individual sentenced to 27 months incarceration and ordered to pay restitution in the amount of \$960,464.</p>	Successful Prosecution
	3/31/2015	<p>This investigation resulted from information developed during the course of another investigation. The subject was identified as a loan originator that allegedly may be involved in fraudulent loan originations. Investigation disclosed this individual engaged in a mortgage fraud scheme wherein straw buyers were used to purchase distressed properties and the sellers' proceeds were directed into accounts owned and controlled by the subject. The loan officer pled guilty and was sentenced in U.S. District Court to 33 months incarceration, five years of supervised release and ordered to pay \$513,726 in restitution.</p>	Successful Prosecution
	5/5/2015	<p>A complaint was received alleging a contractor paid bribes in the form of tickets to events, televisions, cash, renovations to personal homes and other items to staff of a HUD sub grantee project. In return the contractor allegedly received favorable treatment in being awarded contracts. Investigative activity discovered this contractor did conduct work on some employees of the HUD grantee's personal homes at a discounted rate. The findings of this investigation were referred to the U.S. Attorney's Office for prosecutorial consideration. The U.S. Attorney's Office declined to prosecution (b) (5)</p>	Prosecution Declined

(b) (7)(C)

		This investigation resulted from information developed during the course of another investigation. The subject was identified as a loan processor, while employed at the same time by a redevelopment authority as their Housing Choice Voucher Homeownership coordinator. In addition, the subject was a licensed real estate agent. She allegedly steered authority Homeownership Program clients to real estate agents she was affiliated with and received a kickback for doing so. Additionally, she steered some Homeownership Program clients to other co-conspirators in order to obtain their mortgages. She processed these loans and received compensation for them. This HCV Homeownership Coordinator and loan officer/realtor was sentenced in U.S. District Court to 21 months incarceration, four years supervised release and ordered to pay restitution in the amount of \$445,323.	Successful Prosecution
	5/21/2015		
		HUD's Atlanta Homeownership Center, Quality Assurance Division, forwarded information from a lender alleging that the borrower in an FHA-insured mortgage transaction made false statements concerning the borrower's intent to occupy the mortgaged property. The allegations were not sustained and HUD incurred no losses.	Allegation Not Substantiated
	3/2/2015		
		Information developed in the course of a separate HUD OIG investigation suggested that a tax preparer had provided fraudulent documents used in the origination of two FHA-insured mortgages. The preparer admitted to referring numerous clients to the mortgage loan officer implicated in the separate investigation, and further alleged that the loan officer in that investigation would routinely alter the tax returns to show higher income than was actually earned in order to qualify the borrowers for FHA-insured mortgages. The information was referred to IRS-CID for action.	Referral to Program Staff/HUD
	2/1/2016		
		A lender "self-report" to HUD's Philadelphia Homeownership Center, Quality Assurance Division, alleged that employees of a mortgage broker created fraudulent Verifications of Deposit to support the origination of an FHA-insured mortgage. Investigation revealed that the branch manager for the mortgage company, acting in concert with the branch's processor and another loan officer, caused the origination of an FHA-insured mortgage by falsely inflating the assets for the borrower in purported bank verifications. The loan officer and processor were sentenced in U.S. District Court to one year and five years probation respectively, and the former branch manager was admitted to the court's Pretrial Diversion program for a period of six months.	Successful Prosecution
	3/9/2015		
		A complainant associated with a nonprofit Housing Development Corporation (HDC) alleged that a project manager for the HDC improperly awarded contracts for over \$610,000 in housing renovation work funded by HUD Home Investment Partnership (HOME) grants to a local contractor in violation of Conflict of Interest regulations. Investigation revealed that the former project manager steered over \$600,000 in HOME-funded work to the contractor, who paid kickbacks totaling \$9,600 to the project manager in return. The contractor and former project manager were each sentenced in U.S. District Court to three years probation and were subsequently debarred from participation in procurement and non-procurement actions across the Executive Branch.	Successful Prosecution
	7/21/2015		
		A lender reported to HUD's Philadelphia Homeownership Division, Quality Assurance Division, that the borrower in an FHA-insured mortgage transaction was denied access to the mortgaged property after a former owner filed a complaint asserting he was still the owner of the property. Investigation revealed possible errors or omissions by the issuer of the title insurance policy on the FHA-insured mortgage wherein the insurer failed to identify defects in title to the property. No loss was realized by the FHA. Findings were referred to HUD with a recommendation that indemnification be sought from the lender.	Referral to Program Staff/HUD
	3/9/2015		

(b) (7)(C)

	3/4/2015	State officials alleged that an applicant for HUD-funded disaster assistance falsely claimed to live in a Hurricane Sandy-damaged property at the time of the storm, but was actually living improperly in a HUD-assisted rental unit at the time of storm. Investigation did not sustain the allegation.	Administratively Closed
	3/4/2015	Local law enforcement reported that several apartments subsidized through HUD's Housing Choice Voucher Program in a drug- and violence-plagued development might have been improperly "sublet" by program participants to ineligible occupants, including to known drug dealers. Investigation did not sustain the allegation.	Administratively Closed
	10/23/2015	The former neighbor of a participant in the Housing Choice Voucher Program alleged that the participant failed to properly report income to the local Housing Authority and had allowed unauthorized persons to live in the assisted apartment. Investigation did not sustain the allegation.	Allegation Not Substantiated
	9/11/2015	Officials at a local Public Housing Authority alleged that a participant in the Housing Choice Voucher Program had fraudulently misreported her income to the Housing Authority. Investigation disclosed that the participant failed to properly report "off the books" income from employment as a home health aid and from other sources. The findings were referred to HUD and the local Housing Authority terminated her participation in the program.	Referral to Program Staff/HUD
	12/22/2015	Information received from HUD Public Housing staff suggests that a resident Commissioner for the local Public Housing Authority provided false or misleading information concerning her income and assets to housing officials to gain admission to a public housing program, and later applied undue influence to staff in a matter outside the scope of the resident Commissioner's official responsibilities. Investigation confirmed that the Commissioner had concealed substantial income from local housing officials in her initial and subsequent applications for housing, and had improperly attempted to intervene in a matter involving another public housing tenant. The findings were provided to (b) (7)(C), which in turn referred the findings to the local government "appointing authority" for the Commissioner's seat on the Housing Authority board. As a result, the Commissioner was removed from office.	Referral to Program Staff/HUD
	3/30/2016	Local housing authority officials alleged that a participant in the Housing Choice Voucher Program (HCVP) falsely reported her income by concealing the wages of an unauthorized resident in the her assisted apartment. Investigation revealed that for at least two years, the participant had misreported her household composition-- e.g., the actual residents of the assisted unit-- and income. After investigative findings were provided to HUD, the Housing Authority terminated the participant's HCVP assistance and filed a civil action against the former participant in local court.	Referral to Program Staff/HUD
	3/31/2015	Officials from a local housing authority reported that a landlord participating in the Housing Choice Voucher Program concealed his relationship with a program participant residing in his property. Investigation confirmed that the landlord falsely certified to Housing Authority officials that he was not related to any member of the assisted household. The landlord was sentenced in U.S. District Court to one year probation, was fined \$1,000.00, and paid restitution totaling \$23,362.00.	Successful Prosecution

(b) (7)(C)

	7/6/2015	A former employee of a construction company engaged on a demolition project funded by HUD HOME Investment Partnerships ("HOME") funds alleged that the company's principal had fraudulently overbilled costs attributable to the contract. Investigation revealed that the company had submitted certified payrolls showing payments to a fictitious subcontractor employee on the site totaling approximately \$9,000.00. Prosecution was declined (b) (7)(C).	Prosecution Declined
	9/23/2015	The owner of a property management company alleged that a former employee had fraudulently diverted management fees to the former employee's benefit by creating a new company (with a name similar to the complainant's company) and entering into contracts with current and prospective clients in the name of the "copycat" identity. Prosecution was declined by the United States Attorney's Office after the complainant and former employee entered into a civil settlement agreement.	Prosecution Declined
	1/28/2016	State authorities alleged that a homeowner applied for HUD-funded disaster assistance following Hurricane Sandy for damage to two different properties, claiming each as her "primary residence." Investigation did not sustain the allegations.	Prosecution Declined
	10/20/2015	State officials referred allegations that a county employee responsible for certifying (b) (7)(C) in connection with HUD Community Development Block Grant (CDBG) funded activities had forged or falsified signatures on certifications necessary to payment by the state. The county employee was sentenced in state court to 23 months house arrest, 200 hours community service, a \$5,000.00 fine, and twelve months probation.	Successful Prosecution
	1/28/2016	Officials for a local Housing Authority forwarded an anonymous allegation concerning a Housing Choice Voucher Program (HCVP) participant. The complaint alleged that the program participant had allowed an unauthorized person to reside in her assisted unit, and was not reporting the person (or associated income) to the Housing Authority as required. Prosecution was declined (b) (7)(C).	Prosecution Declined
	3/31/2016	An anonymous complainant alleged that an official of a local Public Housing authority was improperly participating as a Housing Choice Voucher Program landlord for the same Housing Authority. Investigation established that the official (and the official's spouse) had received over \$109,000 through the scheme. Both were convicted in U.S. District Court of wire fraud and money laundering offenses and were sentenced to twelve months home detention followed by supervised release, and were ordered to pay restitution totaling \$112,535.00.	Successful Prosecution
	3/31/2016	HUD's Philadelphia Homeownership Center, Quality Assurance Division, referred information alleging irregularities in loan origination documents for three FHA-insured mortgages. Investigation revealed schemes involving real estate agents and fictitious "straw borrowers" who ultimately obtained FHA insured mortgages using fraudulent loan qualification information. Fourteen defendants pleaded guilty or were convicted following trial in U.S. District Court. 52 fraudulent mortgage loans-- eight of which were insured by the FHA-- were identified. HUD losses involving these loans totaled \$694,006.50, additionally, lenders associated with these FHA loans also took losses totaling \$908,484.72. Restitution varied amongst defendants and were split joint and severally.	Successful Prosecution

(b) (7)(C)

	3/31/2016	A federal law enforcement agency contacted HUD OIG regarding a large mortgage fraud investigation currently being worked by several federal law enforcement agencies. The investigation determined that a construction company and its associates sold properties to unqualified FHA-insured and conventional borrowers using false documents and fraudulent information. Nine individuals were charged and convicted of federal offenses for their role in the mortgage fraud scheme, including realtors, speculators, loan officers, settlement agents, a federal employees. The sentences ranged from probation to six years in federal prison. There were eight FHA loans involved in the scheme, with a total loan value of \$2.8 million; however, no FHA loss has been realized to date.	Successful Prosecution
	3/31/2016	A housing authority compliance specialist contacted HUD OIG to request an investigation related to a Section 8 fraud. Allegedly, a landlord was illegally collecting a subsidy for renting to his wife's daughter. The investigation determined that a landlord and tenant were related and failed to report this fact to the housing authority, receiving \$15,000 in benefits they should not have received. The landlord and tenant were charged in state court and the landlord entered into a repayment agreement in lieu of prosecution in the amount of \$15,000. The tenants criminal case was dismissed after statute of limitations issues were raised.	Successful Prosecution
	3/23/2016	A former HUD employee allegedly continued to receive childcare benefits from HUD under the Child Care Tuition Assistance Program after he had resigned from employment. The case was declined for federal criminal prosecution. (b) (5)	Prosecution Declined
	4/1/2016	A federal law enforcement agency contacted HUD OIG and reported that there may be several individuals who were committing healthcare, housing assistance, and social security fraud. The case was administratively closed with no judicial action.	Allegation Not Substantiated
	4/1/2016	HUD, Philadelphia HOC, QAD, received information from a lender that an FHA borrower had reported he was the victim of a foreclosure rescue scam. The case was declined as federal charges are being pursued in another region of the country.	Prosecution Declined
	4/1/2016	A federal law enforcement agency contacted HUD OIG to report that a borrower had paid a large sum of money to a realtor in order to purchase a home then learned the realtor was not a realtor. The case was administratively closed due to lack of resources, however, it was referred to local law enforcement for further investigation.	Administratively Closed
	3/31/2015	A bank reported that a title company closed a refinance mortgage transaction but failed to remit the payoff amount to another bank, which held the loan being refinanced. The targets were already under investigation by federal law enforcement agencies for mortgage fraud and all judicial activity had been completed. This case was administratively closed.	Administratively Closed
	3/12/2015	The OIG received information that \$90,000 check was stolen from a local housing authority. The investigation revealed that an associate of a former employee for a housing authority site deposited the money into his account. The associate was charged with bank fraud and was sentenced to five years in prison and was ordered to pay \$61,000 in restitution to the local housing authority. The former housing authority employee was never charged.	Successful Prosecution
	3/13/2015	A deceased HECM mortgagor's son and daughter allegedly made unauthorized withdrawals totaling \$71,000. The son and daughter were charged and convicted and received ten years incarceration, five years probation, and ordered to repay a bank \$71,000 in restitution.	Successful Prosecution
	5/30/2015	HUD REO alleged that an investor fraudulently purchased an REO property as an owner occupant from HUD for \$160,000 and then fraudulently flipped the home for \$285,000. The case was declined for prosecution by a state prosecutor.	Prosecution Declined

(b) (7)(C)

3/13/2015	The OIG received information obtained during a HUD monitoring review that indicated a borrower fraudulently purchased a home using an FHA insured loan but never resided in the property as her primary residence as required. The case was declined for prosecution by a state prosecutor.	Prosecution Declined
10/8/2015	The OIG received information from local law enforcement that individuals were misrepresenting income, household composition, and other information, in their housing assistance applications at a local housing authority. The investigation determined four Section 8 participants had committed fraud and they were convicted on theft charges in state court and ordered pay \$39,000 in restitution to the housing authority.	Successful Prosecution
9/30/2015	HUD's Multifamily HUB in Philadelphia reported mismanagement issues to the OIG regarding a multifamily project in (b) (7)(C). The case was declined for federal criminal prosecution (b) (7)(C), (b) (5).	Prosecution Declined
4/21/2015	The OIG received information from a federal law enforcement agency alleging a former HUD 202 project employee approached another project employee to offer \$4,600 in cash to cover up mismanagement at the project. The case was declined for federal criminal prosecution (b) (5).	Prosecution Declined
2/17/2016	The OIG received information from federal law enforcement that three investors may be engaged in a fraudulent property flipping scheme involving HUD REO properties. The case was declined after (b) (7)(C).	Administratively Closed
7/6/2015	Local law enforcement reported to the OIG that a tenant failed to report earned income to a local housing authority that resulted in a loss of over \$20,000. The investigation determined that a tenant had failed to report income as alleged and was convicted in state court of theft charges. The defendant received two years probation as was ordered to pay \$21,000 in restitution to the housing authority.	Successful Prosecution
3/8/2016	HUD Office of Public Housing alleged that Section 8 tenants were omitting income on housing assistance applications at a local housing authority. Two Section 8 program participants were convicted on state theft charges and were ordered to pay \$10,000 in restitution to HUD.	Successful Prosecution
9/30/2015	A local housing authority's police department reported to the OIG that a landlord and tenant had failed to report income and were subletting a subsidized unit. Both individuals were convicted on state theft charges and ordered to pay \$18,000 in restitution to the housing authority.	Successful Prosecution
3/30/2016	A federal law enforcement agency reported to the OIG that an executive of a non-profit was improperly selling assets funded by HUD. This matter was referred to the HUD and the OIG's audit division for further analysis.	Referral to Program Staff/HUD
1/5/2016	Local law enforcement reported to the OIG that a tenant failed to report earned income to a local housing authority in housing assistance applications. The case was declined by a district attorney's office.	Prosecution Declined
10/14/2015	Case was initiated based on a referral from The New Jersey Division of Criminal Justice Hurricane Sandy Taskforce. Initial file review by DCA revealed that the applicant applied for RSP and RREM grants for a DPA (b) (7)(C). Review disclosed that applicant changed her drivers license and voters registration address (b) (7)(C) to the damaged property address after Hurricane Sandy. Review also disclosed a possible bakery owned by applicant (b) (7)(C). The case was declined by the district attorney's office.	Prosecution Declined

(b) (7)(C)

4/5/2016	<p>In April 2015, this office received an allegation of RSP and/or RREM grant fraud following Hurricane Sandy for damaged property in (b) (7)(C). Specifically, the recipient had purportedly not resided at the address pursuant to rules and regulations. Following the completion of the investigation, we were unable to substantiate the allegations as the grant recipient was able to show that it was in fact his address. The case was declined by the district attorney's office.</p>	Prosecution Declined
2/17/2016	<p>In May 2015, the HUD OIG received a referral for investigation from a fellow law enforcement agency, which alleged that a couple applied for and received two separate Hurricane Sandy grants for the same damaged property address (b) (7)(C) when in fact, only one per damaged property is permitted. Although the investigation revealed that the couple did in fact receive two simultaneous grants for the same property, they paid one back in full. (b) (5) prosecutor declined to prosecute the matter.</p>	Prosecution Declined
3/15/2016	<p>A local city Office of Inspector General (COP-OIG) contacted the HUD OIG regarding a HUD employee, who had notarized several deeds and Power of Attorney (POA) docs for property transfers involving an individual alleged to have engaged in a number of questionable deed transfers involving properties (b) (7)(C) (b) (7)(C) this individual did not participate in questionable deed transfers and subsequently, the prosecutor declined prosecution. Further, the investigation revealed that HUD did not have a policy, which prohibited the subject's notary practices outside of his/her official capacity at HUD. Based on this, the matter was closed.</p>	Closed by Referral
3/15/2016	<p>During the course of the criminal investigation of a former HUD Office of Native American Programs (ONAP), (b) (7)(C), a complainant from HUD ONAP advised that the (b) (7)(C) was made (b) (7)(C). Following an investigation, it was determined that (b) (5), in general, promptly reported suspected violations of law, rules, and regulations to both HUD management and the OIG. (b) (5) the prosecutor declined prosecution.</p>	Prosecution Declined
5/6/2015	<p>In October 2009, an ATF special agent advised that prior to a suspicious fire involving the offices of a FHA approved mortgage company, an audit by staff of the Pennsylvania State Banking Commission had been conducted. The ATF special agent requested HUD OIG to conduct inquiries in order to determine if the mortgage company submitted false statements to HUD on yearly financial statements and if a particular loan officer as well as others at the mortgage company fraudulently originated any FHA insured loans. The investigation revealed that one of the principals of the company did provide fraudulent statements to HUD on annual financial statements and in addition, obstructed a Federal investigation. Based on these findings, the subject was convicted and sentenced to 3 years probation, 8 months home confinement, and \$4,0000 in fines.</p>	Successful Prosecution
3/31/2015	<p>In April 2010, a cooperating witness alleged to the HUD OIG that a (b) (7)(C) employee responsible for (b) (7)(C), solicited and received kickbacks in exchange for awarding contracts. The investigation revealed that this employee was responsible for these actions. As a result of a successful prosecution, the subject was sentenced to 50 months incarceration and restitution, totaling \$25,000.</p>	Successful Prosecution

(b) (7)(C)

	3/31/2015	In January 2009, HUD OIG received a referral that an employee of the local housing authority responsible for the purchasing of construction and maintenance materials is alleged to have purchased materials through authority accounts and vendors for his own use and profit. The investigation revealed that this employee, along with three other co-conspirators were also responsible for these actions. All four were convicted and subsequently sentenced. Collectively, the four subjects were sentenced to 33 months incarceration, 11 years probation, and restitution, totaling \$3,348,000, to be paid joint but several.	Successful Prosecution
	3/31/2015	In March 2011, the United States Secret Service, which had been involved in the investigation of a Real Estate Agent in Philadelphia, PA alleged that this individual is orchestrating a scheme wherein homebuyers' income and/or employment information is falsified. These same homebuyers became eligible to obtain mortgages from a loan officer working for a bank in Philadelphia, Pennsylvania. Further, it was alleged that while these borrowers were obtaining both conventional and FHA insured mortgages, numerous payments were purportedly made to a title company official in violation HUD-1 and RESPA requirements. The investigation disclosed that three individuals were part and parcel to a complex scheme, wherein numerous fraudulent statements were made on behalf of both conventional and FHA loans. The three subjects were all convicted and subsequently sentenced to \$430,000 joint and several in restitution to various banks. Although HUD loans were involved in the scheme, losses were not sustained in these loans.	Successful Prosecution
	3/31/2015	In August 2011, the local county housing authority alleged that HCVP landlords falsely certified in Housing Assistance Payments (HAP) Contracts that no additional or "extra" payments would be accepted or solicited from HCVP participants beyond those identified in the contract. Preliminary investigation suggests that they did in fact participate in a scheme to require additional "side payments" from HCVP participants as a condition of the participants' continued tenancy at units owned by the landlord. Although the allegations were corroborated through interviews and file analysis, it was determined that a referral to HUD's Departmental Enforcement Center was the best remedy.	Referral to Program Staff/HUD
	3/31/2015	In October 2012, an employee of the local county housing authority alleged that two individuals with the same last name have been residing together in a house they own jointly, with one of the individuals registered as the Section 8 landlord receiving HAP, while the other received Section 8 tenant assistance. This has allegedly been occurring since 2008, for a loss of \$34,140. According to the complainant, the two describe their marriage as a Muslim marriage and both or their names are on the property deed. A subsequent investigation revealed that the subjects did in fact have a landlord/tenant relationship, while simultaneously being married, which violated HAP rules and regulations. Both pleaded guilty and were sentenced to probation, two years incarceration and \$35,000 in restitution joint and several.	Successful Prosecution
	3/31/2015	In December 2013, a law enforcement source requested assistance with an ongoing investigation involving a bookkeeper who allegedly embezzled HUD funds. According to the source, the accountant for the owner of various HUD Multifamily Developments discovered that the bookkeeper had issued numerous checks, made payable to herself, from 5 different bank accounts, each associated with a specific apartment complex. According to the source, the bookkeeper confessed to the embezzlement. A subsequent investigation determined that the subject did steal the funds and that these monies funded financial difficulties at home, to include her husband's addiction to pain killers and other personal bills. The subject was sentenced to 18 months incarceration, 36 months probation and \$152,000 in restitution to HUD.	Successful Prosecution



(b) (7)(C)

	5/18/2015	<p>In November 2009, HUD OIG received a referral from a law enforcement source seeking assistance in an ongoing investigation. Allegedly, two Section 8 tenants residing together in a Section 8 property in (b) (7)(C) were caregivers for an elderly woman and stole approximately \$150,000 from the victim's bank account. The stolen funds were purportedly not reported as income to the local housing authority for the purpose of calculating their housing subsidy. The investigation determined that both tenants did not in fact report this income. Both tenants were convicted on federal bank fraud, false statements, and theft charges. One tenant was ordered to pay restitution to HUD in the amount of \$20,141 and serve fourteen months incarceration. The other tenant was ordered to serve sixty month incarceration and pay restitution to non-HUD entities amounting to \$185,875.</p>	Successful Prosecution
	5/18/2015	<p>In December 2011, during a review of records obtained via search warrant from an open investigation of a closing attorney, a pattern of misrepresentation of closing funds, false Verifications of Deposits, false pay stubs, false employment verifications and tax returns became apparent in loans involving two individuals. The commonalities between these loans point to a scenario wherein multiple real estate industry professionals colluded to deceive lenders in order to obtain funding and extract equity from the subject properties. Although the properties were not FHA insured, the properties were subsequently rented out by the fraudulent borrowers to Section 8 tenants from a local housing authority. Subsequent to this, the Section 8 funds were "skimmed" by the homeowners by virtue of the fact that they were not used to pay off the mortgages, resulting in numerous foreclosures. The investigation revealed that had the housing authority known that the properties were obtained through illegal means, they would not have allowed them to rent to their tenants. Numerous subjects were convicted and sentenced in this case, resulting in over 70 months incarceration and \$4 million in restitution to various banks and lenders.</p>	Successful Prosecution
	12/2/2015	<p>In April 2013, the HUD OIG received information from a local prosecutor, which stated that four individuals, to include three former employees of a local housing authority and a contractor, were indicted for numerous offenses while in their official capacity as employees or as a contractor. Because housing authority employees have a propensity to transfer to other public housing positions and in order to protect HUD's future interests, the HUD Office of Inspector General referred these individuals to HUD's Departmental Enforcement Center for potential administrative action. No further action was required by HUD OIG staff in this matter.</p>	Referral to Program Staff/HUD
	9/14/2015	<p>In September 2013, HUD OIG received a referral from a local housing authority, which alleged numerous improprieties on the part of its staff, to include questionable loans, the lack of background checks for incoming tenants, the lack of accountability for two maintenance trucks, credit card purchases, and missing equipment. Following an exhaustive investigation into each of the allegations, there was insufficient evidence to warrant prosecution. However, administratively, several actions did occur, to include the resignation of two employees and a third employee, who was forced to answer to administrative charges in front of a state disciplinary board. Finally, these findings, although not criminal in nature, were referred to HUD's Office of Public Housing staff as well as the HUD OIG Audit staff.</p>	Referral to Program Staff/HUD

(b) (7)(C)

	1/13/2016	<p>A Virginia State Trooper referred allegations involving a HUD-funded nonprofit to the Office of Inspector General. Specifically, it was reported that the former nonprofit's executive director resigned in July 2013 amidst allegations of embezzlement. Other allegations revolved around comingling and missing funds relative to EPA S weatherization program as well as HUD S Emergency Shelter Grants Program funds. Although the investigation determined that there may have been some impropriety on the part of the subject and her son, the prosecutor declined the matter, (b) (5)</p>	Prosecution Declined
	3/25/2015	<p>The HUD OIG received a referral in March 2014, which alleged that the son of an individual who received a HECM loan for a property in (b) (7)(C) had the property transferred to him five days after his mother's passing. Subsequently, the son made six draws on the property, totaling \$26,000. Following an investigation into this matter, it was determined that there was insufficient evidence to sustain criminal charges against the subject in this matter. Specifically, during the foreclosure process, the son obtained the property back in a short-sale. This information lead prosecutors to decline the matter.</p>	Allegation Not Substantiated
	10/22/2015	<p>In July 2014, HUD OIG initiated a proactive investigation, which (b) (7)(E) in an effort to determine whether any individuals listed on the State Police's registry were receiving federal housing assistance from HUD. Both (b) (7)(E) Following an investigation into the matter, although there initially appeared to be matches, some of the offenders had reported their previous criminal history to housing managers. Finally, for those, who had not properly reported their prior sex offense, these cases were turned over to HUD for whatever action they deemed appropriate relative to eviction.</p>	Referral to Program Staff/HUD
	2/19/2016	<p>In August 2015, a local law center reported that a HUD employee requested a loan from one of its employees. The OIG investigation determined that the employee never received any money from the loan request. The HUD employee retired prior to the end of the investigation. Based on this information, the OIG case was administratively closed without action.</p>	Allegation Not Substantiated
	2/25/2016	<p>HUD OIG is in receipt of a referral in May 2012, which alleged gross mismanagement, wasteful spending and negligent practices on the part of the Executive Director and Vice President of Operations for a nonprofit agency, which oversees property management services for multiple federally subsidized, low income housing properties throughout (b) (7)(C). The two individuals are alleged to have exceeded their normal authorized expenditures by \$4 million from HUD funded accounts, while depleting reserve for replacement and trust funds. In addition, the Executive Director is alleged to have circumvented the bid solicitation, review, and approval process from their on-site staff, thus allowing more lucrative contract opportunities for three purportedly favored contractors. Following an investigation into this matter, the prosecutor declined to charge any of the aforementioned individuals, (b) (5)</p>	Prosecution Declined

(b) (7)(C)

	3/14/2016	This office is in receipt of a referral from a treasurer for a HUD funded (b) (7)(C) which alleged that an individual diverted over \$35,000 from HUD's Line of Credit Control System (LOCCS) system under a Resident Opportunity and Self-Sufficiency Program Grant. Following an investigation of this matter, it was determined that the subject did in fact embezzle the HUD funds. The subject was convicted and sentenced to 12 years incarceration and 60 months probation.	Successful Prosecution
	9/4/2015	In December 2014, HUD OIG received a referral from the United States Secret Service, relative to a "whistleblower" who had alleged that a bank in Maryland had committed mortgage fraud on behalf of FHA borrowers. Following our review of the information, it was determined that there was no HUD "nexus" as the loans in question were not FHA insured. Based on that, the case was administratively closed.	Administratively Closed
	9/4/2015	In December 2014, a local City Inspector General interviewed an employee of the City's Health Department, Healthy Home and Community Division, who alleged that that the City was misusing HUD grant money by paying above market rent on the City Health Department's lease, purchasing expensive office equipment and computers, paying high salaries, and traveling for unofficial business. (b) (7)(C), (b) (5) (b) (7)(C) declined to prosecute the matter and the case was subsequently closed.	Prosecution Declined
	9/4/2015	In February 2015, a proactive investigation by the HUD Office of Inspector General was initiated pursuant to a HUD OIG Memorandum of Understanding (MOU) with the National Center for Missing and Exploited Children (NCMEC). Specifically, the purpose of this was to compare public housing and Section 8 residents for the purpose of locating missing children and potential abductors. The leads found in the comparison represent confirmed active cases with NCMEC involving missing/abducted children and potential abductors. Following an investigation into the matter involving the child, the child was found to be in the custody of the police and the matter was subsequently closed. No further action was taken as the child was found to be safe.	Allegation Not Substantiated
	4/24/2015	A national bank reported irregularities in an FHA-insured mortgage to HUD's Philadelphia Homeownership Center, Quality Assurance Division. Investigation revealed that from 2005 until 2008, a group of conspirators including mortgage brokers, appraisers, settlement agents, and "straw purchasers" caused the origination of over 100 mortgages (totaling over \$20 million) using forged or fraudulent asset or income verifications, ineligible or fictitious "straw borrowers," and other fraudulent devices. Twelve defendants were charged and convicted in U.S. District Court, garnering sentences ranging from one day imprisonment to 180 months imprisonment. Restitution aggregating over \$20 million was also ordered.	Successful Prosecution
	4/6/2015	HUD OIG received allegations that a local housing authority was hiding deficiencies associated with the purchase of a proposed property. The complainant also alleged the receipt of kickbacks by housing authority board members in exchange for the purchase of the proposed property. The investigation revealed no evidence of the alleged kickbacks. Two of the three subjects identified by the complainant were deceased at the time of the investigation, and the third was no longer employed by the housing authority. Additionally, the acquisition of the subject property was addressed and settled according to two separate HUD OIG audit reports. The case was closed due to lack of evidence to support the allegations.	Allegation Not Substantiated

(b) (7)(C)

5/18/2015	HUD OIG received a request for assistance from another federal law enforcement partner to assist in a mortgage fraud investigation. The investigation corroborated a mortgage fraud scheme wherein a Certified Public Accountant (CPA) was defrauding financial institutions by helping individuals (his clients) obtain mortgage loans that they were not able to qualify for legitimately. (b) (7)(C) declined to prosecute anyone as a result of the investigation.	Prosecution Declined
8/12/2015	HUD OIG received a referral from another federal law enforcement partner alleging that a Director of a Community Development Department (CDD) had participated in a scheme to defraud their local community as well as HUD. The investigation corroborated that individuals associated with this CDD embezzled funds that had been intended for the construction of the project. As a result of this investigation, the project manager was sentenced in U.S. District Court to three months incarceration, followed by three years supervised release. One developer was sentenced in U.S. District Court to sixty months incarceration, followed by five years supervised release and ordered to pay restitution in the amount of \$337,843.02. A second developer was sentenced in U.S. District Court to three months incarceration, followed by three years supervised release.	Successful Prosecution
9/29/2015	HUD OIG received a referral from a local housing authority, which alleged that the former Section 8 Coordinator had embezzled Section 8 tenant repayment funds. The investigation determined that the employee embezzled five tenants' repayment agreement checks totaling \$2,875.50. The investigation also determined that the former employee established two sets of fictitious Section 8 landlords and tenants, resulting in a loss to HUD and the housing authority in the amount of \$6,249.92. The former housing authority employee was sentenced in State court to four years probation and ordered to pay restitution in the amount of \$4,562.72.	Successful Prosecution
7/20/2015	A referral from the HUD OIG Office of Legal Counsel, by way of a former housing authority employee, alleged he was wrongfully terminated by the Executive Director for insubordination. The complainant alleged the housing authority is poorly run and operating from an outdated Administrative Plan. The complainant reported that timecards were regularly wrong, whether overpaid or under paid, and upon discovery, the chain of command was notified. The investigation determined that the housing authority and the complainant had conflicting versions of events leading to the complainant's termination and HUD OIG was unable to substantiate the allegations. The U.S. Attorney's Office declined to prosecute the case (b) (7)(C). The matter was referred to HUD program staff for further review (a) and/or action.	Prosecution Declined
9/15/2015	HUD OIG reviewed newspaper allegations concerning fraud on behalf of a large residential home builder and mortgagor. According to the article, a high number of foreclosures of FHA-insured mortgages was occurring in and around (b) (7)(C). The investigation determined that loan officers and processors from this mortgage company collaborated with sales agents from the residential home building company to fraudulently inflate home sale prices based on the homeowners' need for down payment assistance. Additionally, it was discovered that executive staff from this residential home builder attempted to destroy records with respect to financial reports on the company's performance. The U.S. Attorney's Office entered into a deferred prosecution agreement with the residential building company, awarding \$50 million in restitution, with \$5 million going directly to FHA. An employee with this same entity was sentenced to 120 months incarceration followed by 36 months supervised release. Additionally, a former mortgage employee was sentenced in U.S. District Court to 60 months probation and ordered to pay restitution in the amount of \$837,025.	Successful Prosecution

(b) (7)(C)

	3/25/2016	HUD OIG received a complaint that employees associated with a mortgage company were allegedly involved in a scheme involving the alteration and submission of false income and immigration documents in connection with loan modification documents. Additionally, it was alleged by the complainant that executive staff from this mortgage company colluded to create and publish false reports in order to effect audits and reviews by mortgagor investors and rating services. The investigation determined that no evidence could be found to specifically support the allegations made by the complainant. The findings of the investigation were provided to the U.S. Attorney's Office for criminal and civil prosecutorial consideration. Prosecution was declined (b) (5).	Prosecution Declined
	3/23/2016	HUD OIG received a referral from a local municipality alleging that an Executive Director (ED) from a local housing authority had embezzled funds. The investigation determined that the former ED made several purchases using housing authority funds which were not allowable under regulations. The purchases totaled \$15,892.23. Although the case was originally accepted for prosecution by the U.S. Attorney's Office, it was later declined, (b) (7)(C), (b) (5).	Prosecution Declined
	4/24/2015	HUD OIG received a referral concerning allegations that management staff associated with a local housing authority had misused the housing authority credit card, embezzled HUD funds, violated policies, took negative action against whistleblowers, and hired unqualified individuals using consulting contracts. The investigation revealed no evidence to support the allegations made in the referral. (b) (7)(C), (b) (5).	Allegation Not Substantiated
	11/2/2015	HUD OIG received a referral from a federal law enforcement partner that a mobile home company had fraudulently submitted loan applications on behalf of buyers in order to qualify the buyers for mortgage loans. The investigation revealed that, although fraudulent conduct occurred in this case, none of the conduct was associated with FHA or HUD. After review of the ten FHA loan applications related to this case, it was determined that the applications were legitimate and not fraudulent. Even though no HUD nexus existed in this case, the U.S. Attorney's Office was consulted regarding prosecution. The U.S. Attorney's Office declined to prosecute.	Prosecution Declined
	6/15/2015	HUD OIG received a referral that an Executive Director (ED) of an entity involved with administering HUD funds and others had conspired to embezzle HUD HOME grant funds. The investigation revealed that a local housing complex had been inspected, with deficiencies identified to be fixed. After tenants had been relocated in order for the repairs to be completed, it was found that someone allegedly set fire to the apartments, destroying the complex. During the investigation, the managing entity applied for and was approved to receive \$284,000 in HOME funds from HUD. Although the findings from this investigation resulted in cancellation of the grant, it did not occur prior to \$35,431.36 in grant funds being received. The case was not pursued by the U.S. Attorney's Office. Instead, an agreement was accepted wherein HUD was repaid \$35,431.36.	Repayment in Lieu of Prosecution

(b) (7)(C)

	11/24/2015	A referral from the HUD, Miami Public and Indian Housing, alleged that the Executive Director and Project Director of the housing authority had an inappropriate relationship resulting in the misuse and inappropriate spending of housing authority funds. The investigation determined that the two employees were romantically involved and were significantly absent from the housing authority during working hours. They were engaged in non-housing authority business and failed on numerous occasions to take annual or sick leave during their absences from work. The Executive Director was sentenced in U.S. District Court to 12 months and a day incarceration and 36 months supervised release and ordered to pay restitution in the amount of \$276,300.03. The Project Director was sentenced to 60 months' probation, 100 hours of community service and ordered to pay restitution in the amount of 104,550.75.	Successful Prosecution
	12/2/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that several FHA loan files indicated fraudulent activity and serious violation in the loan origination process. The investigation determined that the loan officer admitted to altering several loan origination documents to assist FHA borrowers in qualifying for FHA-insured mortgage loans that they were not otherwise qualified to receive. Additionally, the investigation disclosed that the loan officer was terminated from her employer and the loans were reprocessed by the originating company before funding, as a result there was no loss related to the loan officer's activity. The investigation was presented to the United States Attorney's office and was declined (b) (5) ██████████. Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	4/2/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a FHA borrower applied for a loan modification and during the process, the borrower misrepresented the property as the borrower's primary residence. The investigation determined the FHA borrower did not reside in the residence but resided with family members due to his age and health. Additionally, the investigation disclosed that the financial institution declined the FHA borrower's request for a loan modification. The investigation was presented to the (b) (5), (b) (7)(C) ██████████ and was declined (b) (5) ██████████. Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	4/13/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that the FHA borrowers' applied for a loan modification. During the process, the financial institution noticed that the FHA borrowers' signature appeared to be significantly inconsistent throughout the FHA borrowers' application. The investigation determined that the FHA borrowers' were going through a divorce and the FHA borrowers' did not meet the loan modification requirements. Additionally, the investigation disclosed that the financial institution declined the FHA borrowers' request for a loan modification. The investigation was presented to (b) (7)(C), (b) (5) ██████████ and was declined due to (b) (5) ██████████. Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	11/20/2015	A referral from the HUD OIG hotline alleged that the former property manager might be condoning or concealing the ages of tenants under the age of 62 years of age to live in a senior living facility. The investigation determined that the multi-family agency received an age wavier from HUD allowing non-seniors to reside at the property. The investigation was presented (b) (5), (b) (7)(C) ██████████ and was declined (b) (5) ██████████. Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined

(b) (7)(C)

		<p>A referral was received from the HUD OIG hotline in which the complainant alleged that he was recently laid off by a Management Company for a Section 8 Program for noting "multiple inconsistencies" in management. Furthermore, the complainant alleged he was certain that the Section 8 Program wherein the Management Company was, the landlord was involved in fraud. The investigation determined that the complainant was terminated justly. Additionally, the investigation was not able to disclose any fraud within the Section 8 Program and the Management Company was referred to the HUD program staff. (b) (7)(C)</p> <p>(b) (7)(C) s declined (b) (5)</p> <p>Based on the above information, no further investigation was warranted and the case was closed.</p>	
	10/1/2015		Prosecution Declined
	8/3/2015	<p>A HSI Agent provided information from an informant who was alleging that a Property Manager associated with a subsidized housing site in Key West, FL was taking money in exchange for a first place status for subsidized rental units. A phone conversation with the informant added that prospective tenants would give anywhere from \$1,000 to \$7,000 to be first on the waiting list and receive a guaranteed rental unit. The informant also added that sometimes tenants would get a rental unit with more rooms than needed in order to sublease the extra room. Meetings between the informant and property manager in question (b) (7)(C) disclose any fraudulent activity. The case was subsequently declined by the USAO and closed.</p>	Prosecution Declined
	8/18/2015	<p>A Housing Authority Acting Executive Director provided information that alleged an LLC illegally collected Housing Choice Voucher Program (HCVP) subsidy payments for a HCVP participant after they had vacated the property. The investigation confirmed the unauthorized payments took place. Negotiations between the LLC and the USAO resulted in a monetary settlement of \$5,000.</p>	Repayment in Lieu of Prosecution
	8/21/2015	<p>A Housing Authority Deputy Executive Director provided information that alleged a Housing Choice Voucher Program (HCVP) participant had been collecting VA disability benefits since the year 2000 but failed to report this income to the PHA. Moreover the tenant denied receiving any income from VA claiming his disability is not recognized by VA. The tenant has been a HCVP participant since 1999. They were also suspected of defrauding VA and the Department of Children and Families. The investigation confirmed that the tenant had concealed his VA benefits from the PHA. He was subsequently terminated from the program and agreed to repay the PHA. The USAO declined criminal prosecution (b) (5)</p>	Prosecution Declined
	1/29/2016	<p>A review of an FHA lender revealed that several of the loans went into default status after a few or no payments were made by the borrowers. The investigation revealed that there were suspicious documentation in several of the loan files. Borrowers were interviewed but were unable to positively link an individual with the fraudulent activity. (b) (5) the USAO declined prosecution, as a result the case was closed.</p>	Prosecution Declined
	8/17/2015	<p>HUD OIG OA conducted an audit of an FHA lender and determined that the former owner had purchased properties and then resold them months later at a significant profit. The borrowers obtained FHA mortgages from the mortgage company. The audit revealed that the property values may have been inflated. The investigation concluded that the owner of the mortgage company had indeed bought and sold properties through his mortgage company and that the loans were not performing well. A review of financial records and loan files failed to uncover any evidence of fraudulent activity on the part of the owner. The investigation was presented to the United States Attorney's office and was declined. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined

(b) (7)(C)

	3/30/2016	(b) (7)(C) Police Department staff contacted HUD OIG Office of Investigation regarding allegations of misuse and mismanagement of HUD funds (b) (7)(C). Records were reviewed and individuals interviewed. The investigation concluded that though there was evidence of poor recordkeeping and management (b) (5). The investigation was presented to the United States Attorney's office and was declined.	Prosecution Declined
	8/18/2015	A Housing Authority Interim Executive Director informed HUD OIG that a Section 8 landlord allegedly illegally collected Housing Choice Voucher Program (HCVP) subsidy payments for a HCVP participant after she had vacated the property. Further information was received from the complex Security Chief that the landlord was notified that there were illegal tenants living in the subsidized unit. The landlord was interviewed and denied any knowledge that the tenant had moved from the unit. Additional witnesses or information that would corroborate the allegation was not found. The investigation was presented to the United States Attorney's office and was declined.	Prosecution Declined
	3/14/2016	This is a spin-off case from another mortgage fraud investigation where it was alleged that employees of the company were causing fraudulent documentation to be submitted to HUD in order to qualify unqualified borrowers for FHA mortgages. Further investigation revealed that two loan officers allegedly engaged in fraudulent activities regarding the origination of said FHA insured mortgages. A review of records showed that the investigation had a great deal of overlap with another mortgage fraud investigation in the office. As a result, this investigation was merged with another open case and this matter was administratively closed.	Administratively Closed
	5/26/2015	A referral from the local District Attorney's Office alleged that the Executive Director of the housing authority misused housing authority funds for her personal gain. The investigation determined that the Executive Director awarded contracts to the Assistant Executive Director in which both parties had a vested interest. The Executive Director was sentenced in U.S. District Court to 60 months of probation, 500 hours of community service and ordered to pay restitution in the amount of \$20,104.53 jointly and separately. The Assistant Executive Director was sentenced to 60 months' probation, 250 hours of community service and ordered to pay restitution in the amount of \$20,104.53 jointly and separately.	Successful Prosecution
	11/30/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that during a review of a financial institution's loan process, numerous violations of HUD/Federal Housing Administration requirements were found involving four FHA borrowers and their loan documents. The investigation determined that the loans were in violation of FHA requirements. As a result, the FHA loans were indemnified. The investigation was presented to the United States Attorney's office and was declined due to (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	6/9/2015	A referral from a Supportive Housing Agency alleged that the account ledger of the former property manager may have altered numerous tenant accounts and stole money orders. The investigation determined that the property manager did in fact steal the tenant's funds. The property manager was sentenced in State Court to 60 weekends of incarceration and 72 months of supervised release with no ordered restitution.	Successful Prosecution



(b) (7)(C)

	4/27/2015	A referral from a former employee of a Housing Counseling Assistance Agency alleged that the Program Director was advertising the agency as a HUD approved company that assists low income individuals in obtaining affordable housing. The complainant also alleged the Housing Counseling Assistance agency did not exist. The investigation determined that the Housing Counseling Assistance Agency was an approved HUD Counseling Agency but its certification had recently expired. Additionally, the investigation disclosed that once this matter had been brought to the attention of the Program Director, the information was removed from the agency's social media websites as being an approved HUD Counseling Agency. Based on the above information, no further investigation was warranted and the case was closed.	Allegation Not Substantiated
	6/22/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a FHA borrower applied for a loan modification and during the process, the borrower misrepresented the property as the borrower's primary residence. The investigation determined that the allegation were unfounded. Based on the above information, no further investigation was warranted and the case was closed.	Administratively Closed
	6/25/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a FHA borrower was a victim of identity theft while applying for loan modification. The investigation determined that the FHA borrowers submitted fraudulent documents in an attempt to obtain a loan modification. The investigation was presented to the States Attorney's office and was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	3/22/2016	A referral from an anonymous complainant alleged that a Public Housing Agency misused the housing authority funds concerning contract fraud and violated the Annual Contributions Contract (ACC) concerning the residence commissioner position. The investigation determined that the Public Housing Agency did not misuse any funds concerning contract fraud. Additionally, the investigation disclosed that the Public Housing Agency did not violate the ACC. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	9/25/2015	As a proactive effort, HUD OIG performed a cursory review of individuals assisted by Homeless Prevention and Rapid Recovery Program funds. This review led to the development of information wherein a Prevention Coordinator of a homeless council had approved and/or processed payments based on information she knew to be false and/or incomplete. More specifically, during the period of March 2009 and June 2011, the Prevention Coordinator personally approved 75 applications for rent, mortgage or utility payment assistance for herself, friends and family members. The Prevention Coordinator manipulated and fabricated circumstances so that these applications would appear to be eligible for assistance that would have otherwise been determined to be ineligible. The Prevention Coordinator was sentenced in U.S District Court to 48 months of probation, the first year of which will include home detention via electronic monitoring and ordered to pay \$39,454.58 in restitution.	Successful Prosecution

(b) (7)(C)

	3/14/2016	A Qui Tam referral, from the Department of Justice, alleged that a reverse mortgage servicer routinely missed the deadline to obtain a default appraisal but neglected to report this information on the HECM claim form, resulting in the payment of debenture interest that they otherwise would not have been entitled to receive. Additionally, the reverse mortgage servicer agreed to repay HUD for certain real estate commissions allegedly paid during the sale of foreclosed HECM properties in violation of conflict of interest regulations. As a result of the investigation and settlement, HUD was repaid \$13.6 million, with an additional \$16 million paid to the Department of Justice, The U.S Treasury and the Qui Tam relator.	Successful Prosecution
	8/7/2015	HUD OIG received information telephonically concerning a Public Housing Authority Executive Director who was alleged to have intentionally manipulated the bidding process on a PHA commercial property in an effort to ensure that the highest bidder did not obtain the property. The investigation revealed that the PHA had rejected a lower bid from the complainant in favor of a higher bid from a real estate investor. The matter was presented and declined by the United States Attorney's Office.	Prosecution Declined
	3/13/2015	A referral from a complaint was received by a HUD OIG field office alleging that an FHA-insured construction loan was approved and endorsed but that the construction of the home was never initiated. The complainant also alleged that the builder did not pay the interest on the loan as specified in the contract. The investigation of the complaint revealed that the borrower in question was approved for an FHA insured loan but that the loan was never fully endorsed by the FHA and was subsequently cancelled. Additional efforts were made to determine if any other complaints were reported against the lender or the construction company, however none were found. This allegation was closed and referred to state licensing and investigation entities.	Administratively Closed
	12/17/2015	A proactive investigation was conducted of a certified housing counseling agency that met the following criteria: Closed/terminated due to a poor performance review with an attempt to rectify findings or comply with program requirements and receipt of grant funds from more than one government agency for the same or similar services. The purpose of the investigation was to determine if any duplicative payments were made by HUD or if the housing counseling agency provided false statements to receive reimbursements from HUD. The investigation revealed that while the housing counseling agency incurred numerous findings related to client management and proper documentation of counseling activities, these findings did not result in the discovery that material information had been omitted or manipulated in some fashion. The investigation did reveal that the housing counseling agency continued to operate as a HUD Certified Housing Counseling Agency when it no longer possessed that credential, which is disallowed by HUD. This information was reported to other agencies providing grant funds to the agency. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
	4/3/2015	A referral from the HUD, Atlanta Homeownership Center, Quality Assurance Division, alleged that a FHA borrower provided documentation that was a misrepresentation of occupancy, debts, employment and income misrepresentation at the time of the loan modification. A preliminary review of the opening documents disclosed there was not a current financial loss to HUD and a (b) (5).	Prosecution Declined

(b) (7)(C)

9/29/2015	A Qui Tam referral from the Department of Justice alleged that a major mortgage company knowingly engaged in a pattern of fraudulent activity and business practices, including falsifying and manufacturing loan documents disregarding HUD regulations, and ignoring the absence of necessary documentation to obtain financing for FHA-insured loans. A settlement agreement between the parties was entered. HUD's portion of the settlement indicates, the plan trust agrees that the United States HUD shall be a holder, pursuant to the Plan of an Allowed Class 8 General Unsecured Claim against the company in the amount of \$77,021,910.00 and Allowed Class 4 Subordinated Claim against the company in the amount of \$71,306,047.00	Successful Prosecution
10/21/2015	A referral from an anonymous complainant alleged that the Executive Director of a Public Housing Agency was involved in contract fraud. The investigation was unable to substantiate the allegations. The investigation was presented to the United States Attorney's office and was declined due to lack of prosecutorial merit. Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
9/30/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a HUD Direct Endorser found fraud in FHA borrowers' loan files. All the files were originated by the same loan officer. The investigation confirmed the fraudulent information. Additionally, the investigation revealed the use of straw FHA borrowers. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
2/2/2016	A referral from the HUD, Office of Public Housing, alleged that the Executive Director of a Public Housing Agency may have used housing authority funds for ineligible expenses. The investigation was unable to substantiate the allegations. The investigation was presented to the United States Attorney's office and was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
8/13/2015	A referral from a local law enforcement agency alleged that the Executive Director of a Public Housing Agency inappropriately used Housing Authority funds for personal use. The investigation determined that the allegations were unfounded and approved. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
8/12/2015	A referral from an anonymous complainant alleged that the Executive Director of a Public Housing Agency was over paid his salary. The investigation determined that the allegations were unfounded and approved. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined
7/6/2015	A referral from an anonymous complainant alleged that the Executive Director of a Public Housing Agency was misusing housing authority funds for their personal use. The complainant also alleged the possible conflict of interest concerning the hiring of family members. The investigation confirmed the allegations of misuse of housing authority funds. Additionally, during the investigations, the family members employed by the housing authority were terminated and/or stepped down from their positions. The Executive Director was sentenced in U.S. District Court to 9 months of incarceration, 12 months of probation, 40 hours of community service and ordered to pay restitution in the amount of \$15,402.08.	Successful Prosecution

(b) (7)(C)

	3/16/2015	<p>A referral from a complainant alleged that subcontractors working on a HUD federally funded project did not pay proper wages to employees. The investigation disclosed that the contractor documented, signed and submitted false payroll information for employees working on the project in an attempt to conceal he paid his employees lower wages than what was required by the U.S. Wage and Hour Division. Additionally, the investigation revealed that the contractor's business expense account disclosed that some employees were not paid any wages for the specified pay period reported on the payrolls submitted by the contractor. The investigation was presented to the United States Attorney's office but was declined (b) (5) [REDACTED]. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
	5/22/2015	<p>A referral from a local police department alleged that employees of a Housing Authority were processing fraudulent transactions that resulted in payments to fraudulent landlords within the HUD Section 8 program. The investigation disclosed that two Housing Authority Housing Specialists reactivated closed accounts of former recipients of the Section 8 Program. Additionally, the investigation revealed that after the accounts were reactivated the accounts were placed in the names of two landlords who shared the funds with the two Housing Specialists. The first Housing Specialist was sentenced in U.S. District Court to 26 months incarceration and 36 months supervised release and ordered to pay restitution in the amount of \$40,894. The second Housing Specialist was sentenced in U.S. District Court to 14 months incarceration and 36 months supervised release and ordered to pay restitution in the amount of \$234,977 jointly and separately. The first landlord was sentenced in U.S. District Court to 10 months incarceration, 36 months supervised release and ordered to pay restitution in the amount of \$80,349 jointly and separately. The second landlord was sentenced in U.S. District Court to 18 months incarceration, 36 months supervised release and ordered to pay restitution in the amount of \$150,828.00 jointly and separately.</p>	Successful Prosecution
	7/6/2015	<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that several FHA loan files indicated fraudulent activity and serious violation in the loan origination process. The investigation determined that the FHA borrower's loan file contained several documents that misrepresented the FHA borrower's employment and income in order to assist in the qualifying for a FHA-insured mortgage. Additionally, the investigation was unable to determine who provided the fraudulent information. The investigation was presented to the United States Attorney's office but was declined (b) [REDACTED]. Based on the above information, no further investigation was warranted (b) (5) the case was closed.</p>	Prosecution Declined
	1/5/2016	<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that an FHA Insuring Financial Institution reported potential identity theft with regards to a FHA borrower. The investigation determined that properties purchased in connection with a real estate investment company were acquired by that investment company at low market value, appraised at an inflated market value, sold to a FHA borrower and eventually went into foreclosure after the sale of the properties. The investigation also disclosed the potential use of fraudulent identities of straw buyers. The investigation was presented to the United States Attorney's office but was declined (b) (5) [REDACTED] it. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined

(b) (7)(C)

		<p>A referral from an anonymous complainant alleged that the Executive Director of a Community Planning and Development Program improperly awarded grant funds to her daughter under an alias name. The complaint also alleges that the Executive Director's husband is an employee who has not been to work since the death of the former director and still receives a paycheck. The investigation disclosed that the Executive Director's daughter did receive financial assistance. The investigation also disclosed that the Executive Director and her husband received employee salary increases that were documented in personnel records as ARRA Merit Increase Salary Adjustment. The salary increases were approved by the former director who is now deceased. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.</p>	
	7/31/2015		Prosecution Declined
		<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a financial institution received fraudulent documentation from a third party on behalf of the FHA Borrower. The investigation disclosed that shortly after the purchase of an FHA insured property the FHA Borrower filed for bankruptcy, however, the FHA Borrower failed to make plan payments and as a result of the bankruptcy case was dismissed. The investigation also disclosed that the FHA Borrower subleased the FHA insured property but was not making scheduled payments to the bank to meet the terms of the FHA insured loan terms. As a result, the FHA Borrowers defaulted on the FHA insured loan and the property was foreclosed which in turn resulted in a \$24,624.91 FHA loss and claim. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.</p>	
	7/31/2015		Prosecution Declined
		<p>A referral from a HUD management and marketing (M&amp;M) contractor and the Charlotte Mecklenburg Police Department alleged that an individual had been observed taking household appliances from a HUD-owned REO property. The investigation determined that the subject has taken approximately 50-100 appliances from HUD REO properties and sold them for personal gain. The subject was sentenced in U.S. District Court to three years probation and ordered to pay restitution in the amount of \$13,678 to HUD. The subject was also debarred from participation in HUD programs for a term of thirty-six months.</p>	
	6/24/2015		Successful Prosecution
		<p>A referral from the (b) (7) Police Department alleged that a private police company was fraudulently billing for services that were not performed. The private police company was allegedly paid with public housing and multi-family HUD funds for policing services that were not provided. This private police company contracted for these services (b) (7)(C). Search warrants were executed in connection with this case, seizing police gear, vehicles, and items taken as "evidence" by the private police company. The investigation revealed that the company had executed over 30 contracts with housing complexes or housing authorities from the 1990s through 2008, falsely billing for services by sworn police officers, when non-sworn personnel were used. Several of the housing developments received HUD funding. The subject of this investigation, the head of the private police company, was sentenced in U.S. District Court to six months home detention, five years probation, and ordered to pay restitution in the amount of \$25,903.20.</p>	
	6/30/2015		Successful Prosecution

(b) (7)(C)

		A referral from the (b) State Bureau of Investigation (SBI) and the (b) (7)(C) alleged that the subject, a former THA executive director had embezzled and misappropriated THA and HUD funds. The investigation revealed that the executive director allegedly embezzled money by writing checks to housing authority employees, having the employees cash the checks, and receiving the cash from the employees. The executive director also allegedly took retirement account advances from the housing authority, and then cashed 401K reimbursement checks received for the purpose of replacing the advances. Provable losses in this case totaled approximately \$8,000. As a result, the case was declined for prosecution federally and by the (b) (7)(C).	Prosecution Declined
7/16/2015			
	6/30/2015	A referral from the United States Attorney's Office (b) (7)(C) alleged that Bank of America entered into repayment agreements with loan correspondents for non-performing loans, received funds from the correspondents pursuant to those agreements, and then fraudulently submitted FHA-insurance claims and receiving funds from HUD on those same loans. Conduct relating to this investigation was addressed as part of a civil settlement between the United States and Bank of America. As a result of this conduct, Bank of America agreed to pay \$50,000,000, with over \$21,000,000 going to FHA.	Repayment in Lieu of Prosecution
	9/8/2015	A complaint received from a (b) (7)(C) Housing Choice Voucher Program (HCVP) participant alleged that (b) (7)(C) were engaged in a conspiracy to create or allow false Section 8 housing inspections and, in turn, cause the complainant to be the subject of unfair housing practices. The complainant had identified multiple items in the residence that were deficient in accordance with Housing Quality Standards (HQS). According to the complainant, CHA initially refused to acknowledge or repair these deficiencies. During the course of the investigation, the complainant advised investigators that the deficiencies initially identified had all been repaired. The investigation found no basis for the allegations made by the complainant, and the case was declined for prosecution by the United States Attorney's Office.	Prosecution Declined
	7/27/2015	A referral from a Public Housing Authority alleged that a public housing recipient provided false statements during the application and recertification process for public housing. The investigation determined that the public housing recipient did in fact provide false statements during the application process. The public housing recipient was sentenced in U.S. District Court to 6 months incarceration; 24 months supervised release and ordered to pay restitution in the amount of \$16,099.00.	Successful Prosecution
	9/29/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that several FHA loan files indicated fraudulent activity and serious violation in the loan origination process. The investigation determined that the loan underwriting company admitted their faults and the questionable loans were indemnified. The investigation also disclosed that the FHA borrowers' admitted to creating and providing false documentation during the loan origination process. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.	Prosecution Declined

(b) (7)(C)

6/25/2015	<p>An investigation was initiated based on a complaint made by a (b) (7)(C) [REDACTED]. The complaint alleged the former Executive Director made unauthorized personal purchases using coalition funds and submitted duplicate travel reimbursements. It was also alleged that the ED made a trip to (b) (7)(C) [REDACTED] with family members using grant funds. This (b) (7)(C) [REDACTED] receives funding from a variety of sources, including multiple government agencies. HUD provides funding in the form of HMIS and HOPWA grants. The HUD OIG investigation focused on whether any HUD funds were misused. The investigation confirmed that the ED made unauthorized purchases using coalition funds and received duplicate mileage reimbursements. However, no evidence was found proving HUD grant funds were misspent. This was determined through a review of a variety of records by the reporting agent, an interview with the Director of Finance, and a review conducted by HUD. The ED was fired as the coalition's Executive Director and began attempts to form a new nonprofit organization to assist the homeless. Due to concerns that she might misuse HUD or other Federal grant funds, a referral for administrative action was made to HUD's Department Enforcement Center (DEC).</p>	Referral to Program Staff/HUD
5/11/2015	<p>Through the P.R. Public Housing Fraud Task Force, and at the request of several PHAs, this case addressed investigations of extensive HCV/PH program fraud complaints with significant losses from the largest PHAs with Public Housing and Housing Choice Voucher programs in Puerto Rico. This initiative was supported by the U.S. Attorney's Office, which requested that (b) (7)(E), (b) (5) [REDACTED].</p> <p>The investigation found that individuals failed to report, and/or intentionally concealed, employment income either in their program applications or annual certifications, while benefiting from the program for several years without being detected. Evidence of this fraud was uncovered and compiled. The USAO accepted the case but after time passes they re-evaluated and decided not to prosecute.</p>	Prosecution Declined
11/5/2015	<p>A Relator alleged that the subject, through his various companies, signed Section 8 HAP contracts as landlord and falsely certified that neither he nor any officers of the companies had been convicted of a felony within the last ten years. The Relator advised that subject was convicted of tax fraud in 2005. (b) (5) [REDACTED].</p> <p>The USAO declined the case.</p>	Prosecution Declined

(b) (7)(C)

	8/13/2015	A referral from the HUD, Atlanta Homeownership Center, Quality Assurance Division, alleged that subjects, including a loan officer, loan processor, underwriter, and mobile home sales agents violated HUD requirements stating no documents used in the processing or underwriting of a loan may be handled or transmitted through an interested third party to the transaction. The investigation revealed that alternate credit letters were fabricated and submitted in connection with applications for FHA-insured mortgage loans, and that these and other credit documents were handled by sales agents (as interested parties to the transactions). The case was declined for criminal prosecution by the U.S. Attorney's Office due to expired statute of limitations; however, a civil suit was filed against the subjects. The subject loan officer settled civilly under the False Claims Act, agreeing to pay \$75,000 to HUD.	Prosecution Declined
	4/8/2015	HUD OIG initiated a proactive investigation of the (b) (7)(C) Tenants Assisting Sex Offenders with Housing (TASOWH) program. As part of this initiative, SHA referred multiple subjects to HUD OIG for further investigation. The investigation revealed several subjects fraudulently receiving housing assistance through SHA. The investigation revealed a SHA landlord renting to her mother, two cases of tenants with unreported household income, a tenant receiving dual subsidy under the Housing Choice Voucher Program and the HUD Multifamily program, a tenant residing with her landlord and having joint ownership of the subsidized unit, and a SHA landlord whose spouse was a SHA board member, in violation of conflict of interest regulations. Four subjects entered pre-trial diversion (PTD) agreements, each agreeing to 18 months probation, restitution, and 100 hours of community service. Restitution ordered for these four subjects totaled \$84,458.87. Two more subjects were charged in South Carolina State court. One was sentenced to six months incarceration, 18 months probation, and restitution in the amount of \$11,452. The other was sentenced to three years incarceration, five years probation, and restitution in the amount of \$8,894. Another subject was charged in a Program Fraud Civil Remedies Act (PFCRA) case, which was settled for \$16,850.	Successful Prosecution
	3/5/2015	An anonymous complaint received by the HUD OIG hotline alleged that the subject fraudulently applied for a loan modification under the Making Home Affordable Program. The investigation determined that the subject completed and submitted documents in support of an application for a loan modification, falsely stating that the subject property was the subject's primary residence, when in fact the subject was renting the property out. This fact was intentionally withheld from the lender, Bank of America. An estimated loss of \$26,365.26 was sustained by HUD in connection with the loan modification. The case was declined for prosecution by the U.S. Attorney's Office (b) (7)(C), (b) (5)	Prosecution Declined
	3/31/2016	HUD OIG received information alleging that the Executive Director of a Housing Authority was conducting his private business work while working for the PHA and spent about two weeks each month away from the office for over one year. The investigation confirmed that the ED had in fact traveled repeatedly to his home state while on PHA time. There was some question as to whether the HUD employee who directly supervised the ED had given permission for the travel. The ED ultimately negotiated with the USAO and made a monetary settlement. The results of the investigation were referred to HUD in order to review the HUD employee's conduct.	Repayment in Lieu of Prosecution



(b) (7)(C)

2/10/2016	HUD OIG received information from HUD OIG Office of Audit (OA) indicating that two corporations may have submitted altered images of canceled checks to a Municipality. Those images of canceled checks were submitted to the municipality as supporting documentation for expenses related to HOME Program grants which had been awarded to those companies. The investigation revealed that the owner of the corporations had provided fictitious checks to the municipality in support of expenses related to the grants at the time the municipality was being audited by HUD OIG OA. The USAO agreed to prosecute the case and the owner of the corporations was charged with "obstructing a federal audit." He received three years probation and was ordered to pay \$50,000 in restitution.	Successful Prosecution
3/5/2015	A HUD Representative of the San Juan Field Office indicated that a former employee of a corporation receiving HUD Supportive Housing funds had alleged, in part, that the Director was being paid her salary under the identity of her daughter since the director could not be paid directly because she was receiving Social Security benefits. The HUD representative also alleged misuse of Nutritional benefits and misuse of Corporation property. Also, the HUD representative suspected fraudulent assertions with the matching funds requirement under the grant agreement since the corporation could not provide supporting documents disclosing the source of the funds. The investigation revealed some evidence of suspicious activity. However, the USAO declined to prosecute (b) (5)	Prosecution Declined
12/15/2015	The PR PHA provided information alleging that an employee stole gasoline that was to be used for one of the Public housing sites (PHP). The theft occurred during the time when the subject was employed by a company which was contracted to administratively manage the PHP. The investigation uncovered evidence that suggested the subject had stolen gasoline. The case was presented to the State prosecutor's office and the subject was charged. The State judge ultimately decided that there was insufficient evidence to sustain a criminal case and dismissed the charges.	Allegation Not Substantiated
1/15/2016	HUD OIG assistance was requested by the District Attorney's office regarding an investigation related to a former (b) (7)(C) Section 8 employee that had been referred to him by the PR Comptroller's Office. The Comptroller's Office had identified 682 checks totaling \$42,943 containing potential fraudulent characteristics. Of those, 74 checks totaling \$7,963 were identified to contain fraudulent endorsements based on interviews conducted by the auditors. The employee had been previously charged and convicted for fraudulently cashing a check intended for a landlord. The investigation focused on the numerous questioned checks. Efforts were made to determine who had cashed the checks but these efforts were unsuccessful. As a result the USAO declined prosecution.	Prosecution Declined

(b) (7)(C)

2/26/2016	<p>During a recent audit of an FHA mortgage company in (b) (7)(C), the HUD OIG Office of Audit identified fraudulent employment and income information and other fraudulent supporting documentation that were used to obtain approval for ten FHA loans totaling \$2,684,626. The investigation was expanded and ultimately determined that several members of a family who owned apartment complexes had converted those complexes to condominiums. They then conspired with others to recruit borrowers who were unqualified and had no funds for the cash to close. The family members provided, through intermediaries, funds for the cash to close. They also conspired with the various other subject to ensure documentation for the unqualified borrowers was provided which made them appear qualified. This scheme resulted in losses of over \$1,244,000 to HUD and \$27,000,000 to several financial institutions and Government Sponsored Enterprises (GSE's) Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, Fannie Mae and Freddie Mac, respectively. Ultimately fourteen subjects were charged in Federal Court and convicted, including three at trial. Their sentences ranged from probation to 135 months incarceration.</p>	Successful Prosecution
3/29/2016	<p>This case was a direct referral from the HUD, Atlanta Homeownership Center. According to the referral, an FHA approved lender engaged in fraudulent activities regarding the origination of FHA insured mortgages in approximately (b) (7)(C) developments. The investigation revealed that the owner of the mortgage company also owned a title company and a real estate company. He was also the owner of, or had a financial interest in, multiple condominium conversion projects throughout (b) (7)(C). Interviews and records reviews revealed that multiple employees of the mortgage company engaged in fraudulent activity in order to qualify otherwise unqualified borrowers. This took place in numerous condominium conversion sites and resulted in an extremely high default rate for that mortgage company. Ultimately, 25 subjects were charged and convicted, including the owner of the mortgage company. The sentences ranged from probation to 135 months incarceration and restitution ordered in the amount of over \$65,000,000.</p>	Successful Prosecution
4/7/2015	<p>It was alleged that a supervisor of a City Homeless Program had requested payments from applicants of the homeless program in order to approve their applications. The investigation revealed that the supervisor, as well a third party, had at least on one occasion, accepted \$5,000 from a prospective program participant in order to process them. The supervisor was charged and arrested for Official misconduct of a public servant (838.022), Unlawful compensation for official behavior (838.016 -1) and Bribery (838.015). He was convicted and sentenced to five years probation and ordered to pay restitution to the victim. The co-conspirator was charged with Conspiracy to conduct official misconduct (839.25), Unlawful compensation for official behavior (838.016 -1) and Conspiracy to commit bribery (838.015). She was convicted and sentenced to five years probation.</p>	Successful Prosecution
11/9/2015	<p>It was alleged by a former employee that the Executive Director for a Housing Authority had misused their issued credit card for personal matters. The investigation uncovered several questionable charges on the PHA credit card. The ED argued that she had permission from the PHA board to use the card for the expenses and that the funds used to pay the card were non-federal funds. A discussion with HUD PIH program personnel determined that the personal expenses could be deemed legitimate at least for the ED since she had board approval. As a result of these findings the USAO declined prosecution.</p>	Prosecution Declined

(b) (7)(C)

9/1/2015	<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that an Investment Mortgage Company was using the HUD Home Equity Conversion Mortgage (HECM) Program to conduct a property flip and purchase scheme. The investigation determined Investment Mortgage Company used inflated property appraisals to extract funds from the financing of HECM loans. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, the investigation was closed criminally and referred to HUD OIG JCFD.</p>	Prosecution Declined
5/20/2015	<p>A referral from the HUD, Department Enforcement Center (DEC), alleged that the administrator of a Multifamily and Nursing Home property may have embezzled and misappropriated funds by being paid as both the operator and administrator. The investigation determined that the administrator did not embezzle or conceal any funds in their capacity as both operator and administrator. The investigation was presented to the United States Attorney's office and was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
2/1/2016	<p>A referral from a complainant alleged that fraudsters are impersonating themselves as HUD employees, via the telephone; asking senior citizens for money upfront in return for the promise of large grants. The investigation was able to confirm the allegations outlined. Additionally, the investigation disclosed that there was no loss to HUD or any other government agency. The investigation was presented to the United States Attorney's office but was declined (b) (5). Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
2/12/2016	<p>A proactive investigation was conducted to address the high level of FHA short sale. The investigation was unable to determine any criminal violation committed. The investigation was presented to the United States Attorney's office but was declined due to lack of prosecutorial merit. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
4/27/2015	<p>A referral was received from complainants who alleged that a HUD Real Estate Owned (REO) management company submitted false inspections related to the management of REO. The investigation determined that the REO management company submitted claims for work that was not performed. The company's president was sentenced in U.S. District Court to 97 months incarceration; 36 months supervised release and ordered to pay restitution in the amount of \$2,396,498.25 jointly and severally. The wife of the company's president was sentenced in U.S. District Court under a Pretrial Diversion and ordered to 300 hours of community service and ordered to pay restitution in the amount of \$2,396,498.25 jointly and severally. An employee was sentenced in U.S. District Court to 33 months incarceration; 36 months supervised release and ordered to pay restitution in the amount of \$2,396,498.25 jointly and severally.</p>	Successful Prosecution
2/8/2016	<p>A referral from a housing authority alleged that a Section 8 Participant was alleged to have purchased two houses while reporting zero earned income to the PHA. After these purchases, she began subletting the HCVP subsidized unit. The tenant's calculated rent portion was zero and she received a monthly Utility Allowance Payment. The investigation revealed that the tenant did in fact own a property and failed to disclose it to the PHA. Further, it was uncovered that tenant was subletting the subsidized unit and had undisclosed income. The tenant was charged and convicted of Theft of Government Funds and subsequently sentenced to seven months incarceration and ordered to pay \$85,363 in restitution.</p>	Successful Prosecution

(b) (7)(C)

	9/29/2015	A referral from the local sheriff's department alleged that a Section 8 recipient was involved in an identity theft and tax fraud scheme. The investigation determined that the Section 8 recipient received significant income from this scheme in which she did not disclose to the housing authority. The Section 8 recipient was sentenced in U.S. District Court to 36 months incarceration and 36 months supervised release and ordered to pay restitution in the amount of \$70,783.00 to the IRS.	Successful Prosecution
	1/29/2016	A referral was received from a housing authority employee alleging that the Executive Director was mismanaging the PHA, wasting federal funds, abusing her authority, and involved in several conflicts of interest. The investigation was unable to uncover any criminal activity on the part of the ED. The USAO declined prosecution.	Prosecution Declined
	1/4/2016	A referral was received from the Federal Housing Finance Agency (FHFA) involving allegations concerning an individual who ran a business which claimed to help FHA borrowers' and FHFA borrowers' in danger of foreclosure by promising to help the borrowers' obtain a mortgage modification. The investigation determined that the businessman submitted bogus bankruptcy petitions in order to keep the creditors away from the properties while he collected rent from the borrowers during the scheme. The business man was sentenced in U.S. District Court to 36 months incarceration; 36 months supervised release, 300 hours of community service, fined \$5,000, and ordered to pay restitution in the amount of \$25,125.	Successful Prosecution
	1/27/2016	Allegations indicate that a former employee of a program intended to assist homeless people find temporary housing may have stolen project money. More specifically the employee may have converted CDBG funds to her own use by creating false and fictitious clients that were being assisted by the program when in fact, the employee diverted the funds to her own use. The investigation revealed that funds may indeed have been embezzled by the employee. However, the investigation also uncovered the fact that none of those funds were HUD funds or Federal funds of any kind. The investigative results were provided to the United States Attorneys Office but they declined prosecutorial intervention.	Prosecution Declined
	3/21/2016	A referral from the Executive Director, from a Public Housing Agency alleged that the former Housing Authority Comptroller embezzled in excess of \$160,000 of housing authority operating funds for their personal gain. The investigation determined that the comptroller made multiple personal payments utilizing the housing authority checking account. Additionally the investigation revealed that the comptroller forged the Executive Director's signature on the checks. The Comptroller was sentenced in U.S. District Court to 12 months of incarceration, 36 months of probation and ordered to pay restitution in the amount of \$202,582.69	Successful Prosecution
	3/14/2016	A referral from the Executive Director, from a Public Housing Agency, alleged that the former Housing Authority Payroll Clerk embezzled in excess of \$261,000 of housing authority operating funds for their personal gain. The investigation determined that the while paying the housing authority's credit card, the payroll clerk included the payment of two of their personal credit cards. Additionally the investigation revealed that the Payroll Clerk also embezzled Housing Authority funds for the purpose of helping others in need and paying various medical bills and increased debt. The Payroll Clerk was sentenced in U.S. District Court to 12 months of incarceration, 26 months of probation and order to pay restitution in the amount of \$250,154.04	Successful Prosecution

(b) (7)(C)

5/29/2015	<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a FHA Borrower applied for a loan modification and during the process, the FHA Borrower misrepresented their assets, income and employment. The investigation determined that the loan modification was declined. Based on the above information, no further investigation was warranted and the case was closed.</p>	Administratively Closed
11/20/2015	<p>A referral from the Internal Revenue Service Criminal Investigation (IRS-CI) alleged that a Property Management Company may have misapplied or possibly received HUD Multifamily HAP payment for "ghost" tenants. The investigation determined no evidence of "ghost" tenants or wrong doing by the Property Management Company. The investigation was presented to the United States Attorney's office but was declined due to lack of prosecutorial merit. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
5/29/2015	<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a FHA Borrower applied for a loan modification and during the process; the borrower misrepresented their social security number (SSN). The investigation determined that the financial institution re-verified the FHA borrower's SSN and the information was corrected. Based on the above information, no further investigation was warranted and the case was closed.</p>	Administratively Closed
10/15/2015	<p>A referral from an anonymous complainant alleged fraud and mismanagement from a Public Housing Agency Executive Director. The investigation determined that the Executive Director did not misappropriate any housing authority fund nor did the Executive Director collude with other housing authority. Additionally the investigation did not reveal any wrong doing by the Executive Director. The investigation was presented to the United States Attorney's office but was declined (b) (5) [REDACTED]. Based on the above information, no further investigation was warranted and the case was closed.</p>	Prosecution Declined
1/12/2016	<p>A complaint received from a former employee (b) (7)(C) [REDACTED] alleged that a branch manager was forging documents and submitting false information to lenders to qualify customers for FHA insured mortgage loans. The investigation determined that the branch manager and his sales agents did, in fact, falsify income, asset, and credit information for prospective home buyers in order to qualify them for loans. The scheme was perpetrated by multiple branches of (b) (7)(C) [REDACTED], and involved the assistance of loan officers and processors from various lenders. An executive for (b) (7)(C) [REDACTED] was sentenced in U.S. District Court to 24 months incarceration, followed by 24 months supervised release, and ordered to pay \$24,087,187 in restitution. One branch manager for (b) (7)(C) [REDACTED] was sentenced in U.S. District Court to 30 months incarceration, followed by 24 months supervised release, and ordered to pay \$389,976 in restitution. Another branch manager was sentenced in U.S. District Court to 24 months probation and ordered to pay \$4,333,076.87 in restitution. A loan officer was sentenced in U.S. District Court to 50 months incarceration, followed by 12 months supervised release, and ordered to pay \$151,316 in restitution. An additional loan officer was sentenced in U.S. District Court to 24 months incarceration, followed by 24 months supervised release, and debarred indefinitely from participating in HUD programs. Another loan officer was sentenced in U.S. District Court to 30 months incarceration, followed by 24 months supervised release. A consent order was issued against (b) (7)(C) [REDACTED] by the NC Department of Justice, ordering the repayment of \$4,446,000 in compensatory damages for unfair or unlawful business practices.</p>	Successful Prosecution

(b) (7)(C)

	<p>A referral from the North Carolina Commissioner of Banks alleged that multiple loan officers working for a lender had originated loans containing fraudulent documents, such as pay stubs and W-2's. An initial check revealed that several of the loans in question were FHA-insured. Others possibly involved in the scheme to fraudulently originate FHA-insured loans included a closing attorney and an appraiser. The investigation determined that a "promoter" falsified loan applications using others' identities in order to fraudulently obtain properties using FHA-insured and conventional mortgage loans. False documents included alternate credit letters, W-2's, pay stubs, gift letters, and bank statements. The promoter conspired with a homebuilder, two real estate agents, a straw buyer, and an investor to complete the scheme to defraud multiple banks and the FHA. The promoter was sentenced in U.S. District Court to 15 years incarceration and ordered to pay restitution in the amount of \$2,189,641.28. The homebuilder, and both real estate agents were sentenced in U.S. District Court to five years probation. The straw buyer was sentenced in U.S. District Court to one year probation and ordered to pay restitution in the amount of \$632,289.00. The investor was sentenced in U.S. District Court to five months incarceration, followed by two years of supervised release, and ordered to pay restitution in the amount of \$184,344.02.</p>	Successful Prosecution
9/16/2015	<p>A complaint received from two (b) (7)(C) alleged that their clients were victims of a mortgage fraud scheme perpetrated under the auspices of helping people displaced by Hurricane Katrina. The investigation determined that a finance company perpetrated fraud with respect to the origination of mortgage loans in North and South Carolina between 2002 and 2007. "Promoters" would coordinate with investors to act as straw buyers on multiple investment properties each. The scheme involved the creation and submission of false documents in connection with loan applications. The investigation revealed over 286 loans involved in the scheme, but only one was insured by FHA. Upon presentation to the U.S. Attorney's Office for prosecution, the case was declined based (b) (5)</p>	Prosecution Declined
9/15/2015	<p>A referral from the North Carolina Office of the Commissioner of Banks alleged that fraud may be involved in the purchases and/or loans of several individuals who had purchased real estate from companies owned by the subject, a self-proclaimed real estate "guru." The suspicious transactions involved multiple consecutive purchases from the same seller, and resulted in early defaults by the homebuyers. The investigation determined that the subject coached the homebuyers to make consecutive loan applications, containing false income, asset, and rental history information for the purpose of avoiding detection by the prospective lenders. The investigation further revealed that a real estate agent not only assisted the subject in locating buyers and constructing false application information, but was also one such fraudulent buyer. The real estate agent was sentenced in U.S. District Court to 14 months probation. The U.S. Attorney's Office declined to prosecute the subject, (b) (5)</p>	Successful Prosecution
9/30/2015		

(b) (7)(C)

		<p>(b) (7)(E), (b) (5)</p> <p>The investigation identified one significant criminal scheme regarding a local development. During the development, the owner obtained two separate loans for initial development activities, referred to as "bridge" loans, from the non-profit and an LLC. The owner then utilized his business entities to submit invoices to both non-profit and LLC for the same expenditures or fictitious expenditures. The illicit proceeds of these schemes totaled \$990,000.00 and were utilized to pay for the owner's personal business expenses. The USAO agreed that the investigation would be prosecuted at the state level. The owner was charged with two counts of Grand Theft in the First Degree (812.014) and one count of Organized Scheme to Defraud (F.S. 817.034). The original trial date was scheduled for 2010 and has been continued multiple times. The HUD OIG case was closed pending any future results .</p>	Administratively Closed
	9/30/2015		
		<p>A data match was performed based on Section 8 tenants who also had Home Equity Conversion Mortgage (HECM) loans. One of the individuals listed in the data match obtained a HECM in April of 2008 on a home in (b) (7)(C). PIC records indicate that the borrower had been an active section 8 tenant before and after the HECM closed. Further investigation revealed that the HECM home had been Quit Claimed to the borrower by her daughter just months before the HECM closing date. It was proven that the borrower had lived in a section 8 ALF for years prior to the HECM and continued to live in the ALF after the closing. The daughter lived in the HECM home during the entire period. The USAO initially accepted the case for civil action (b) (5)</p>	Prosecution Declined
	2/9/2016		
		<p>A Housing Authority Investigator referred information regarding a Housing Choice Voucher (HCV) Program participant. Based on his investigation, he found evidence to indicate the tenant owned the property for which she receives HCV funding as a tenant. The HUD OIG investigation confirmed that the tenant was in fact the owner of the subsidized property and that she had Quit Claimed the property to an unsuspecting third party, which affected that individual's tax liability. The USAO accepted the case and the tenant charged with one count of conspiracy (18 U.S.C. 371), Aggravated Identity Theft (18 U.S.C. 1028A), five counts of False Statements (18 U.S.C. 1001), and 26 counts of Theft of Public Money (18 U.S.C. 641). She was sentenced to 48 months incarceration and ordered to pay \$49,240 in restitution.</p>	Successful Prosecution
	11/9/2015		
		<p>Information was received regarding a Financial Analyst for a contracted organization administering a Public Housing Agency's Housing Choice Voucher Program. The allegations were that the employee had embezzled more than \$80,000 in HUD funding. The investigation revealed that the employee had retained debit cards from two landlords, after they had stopped participating in the program. These debit cards were used by the PHA to pay the landlords their rent funds. The employee had initiated and approved digital transactions resulting in the issuance of HCV program Housing Assistance Payments to the two debit cards in her possession. She then utilized the cards for personal use. The USAO prosecuted the case and charged the employee with Aiding and Abetting (18 USC 2), Theft (18 USC 641), and Aggravated Identity Theft (18 USC 1028A). She was sentenced to 24 months incarceration and ordered to pay \$83,944 in restitution.</p>	Successful Prosecution
	3/2/2015		

(b) (7)(C)

	3/14/2016	<p>This investigation was initiated based on an allegation that the subject was running an organized identity theft conspiracy while participating in the HUD Housing Choice Voucher Program. The investigation involved the Internal Revenue Service, Criminal Investigation Division and the (b) (7)(C) Sheriff's Office. The U.S. Department of Agriculture, Office of Inspector General was also brought into the case. The investigation revealed that the subject engaged in a conspiracy to utilize the identities of individuals to obtain tax refunds. During this time the subject was receiving housing assistance benefits as well as food stamps and failed to disclose her significant income from the tax scheme. The subject was prosecuted by the USAO and convicted on charges of Aiding and Abetting (18 USC 2), False Statements (18 USC 1001), Firearms Violations (18 USC 922, 924), Theft (18 USC 641), Wire Fraud (18 USC 1343), Aggravated Identity Theft (18 USC 1028A), and Attempt and conspiracy (18 U.S.C. Section 1349). She was sentenced to 36 months incarceration.</p>	Successful Prosecution
	11/5/2015	<p>A Qui Tam referral was received from the US Department of Justice. The allegations involved a landlord in the HUD Housing Choice Voucher program who had been charging a program tenant more than the amount authorized and agreed upon on the Housing Assistance Payment Contract. The investigation confirmed that the landlord accepted payments above the agreed upon HAP amount for several years. The USAO civil division accepted the case and negotiated with the landlords to reach a monetary settlement. The landlords paid a settlement of \$30,000.</p>	Successful Prosecution
	12/29/2015	<p>A referral received from Cause of Action, a governmental accountability organization, alleged that HUD violated appropriation laws during the implementation of and dissemination of information about the Patient Protection and Affordable Care Act (PPACA). The investigation determined that HUD's Atlanta Regional Office violated no apparent appropriation laws during the implementation of PPACA. Even though the allegations were unsubstantiated, the matter was referred to the U.S. Attorney's Office for prosecutorial consideration. The U.S. Attorney's Office declined prosecutorial consideration due (b) (5)</p>	Allegation Not Substantiated
	3/23/2016	<p>A referral from the U.S. Marshals Asset Forfeiture Unit alleged that a group in (b) (7)(C) is committing mass insurance fraud, and that the group was allegedly involved in multiple fraudulent Home Equity Conversion Mortgage (HECM) loans. Allegedly appraisers were bribed to inflate appraisals of properties for HECM loans. Additionally it was alleged that the purported borrowers did not actually reside at the subject properties for which HECM loans were being applied. During an asset search, 8 HECM loans were found with suspicious reverse mortgage loan amounts. The investigation determined there was no evidence to support allegations of bribes of appraiser or occupancy issues by the borrowers. The U.S. Attorney's Office declined to prosecute (b) (5)</p>	Prosecution Declined
	4/7/2015	<p>A referral received from the Mississippi Office of the State Auditor alleged that the subject applied for and received disaster assistance with from the Mississippi Development Agency's Homeowner Assistance Program (HAP), claiming the damaged address as his primary residence. The investigation determined that the subject was residing at a different address at the time of Hurricane Katrina, and that the subject falsely certified the subject address as his residence in order to fraudulently obtain the HAP assistance funds. The subject allegedly fraudulently received \$89,200.00 as a result of the false application. The subject was sentenced in U.S. District Court to 36 months supervised probation and ordered to pay restitution in the amount of \$93,309.00.</p>	Successful Prosecution



(b) (7)(C)

5/14/2015	<p>A referral from the Mississippi Development Authority (MDA) alleged that the subject and an associate conspired to obtain HUD grant funds for a property that was unoccupied prior to and on the day of Hurricane Katrina by allegedly claiming that a lease-purchase agreement existed but was destroyed by the storm. The investigation determined that neither the subject, nor the subject's associate resided at the subject property prior to Hurricane Katrina. The subject fraudulently applied for a Home Assistance Program grant citing the subject property as a false primary residence. The subject was sentenced in U.S. District Court to 15 months incarceration, followed by three years supervised released, and ordered to pay restitution in the amount of \$97,570.51.</p>	Successful Prosecution
10/23/2015	<p>A referral from HUD OIG, Office of Audit alleged that (b) (7)(C), a property management company overseeing two elderly housing complexes, embezzled approximately \$68,122.00 in HUD funded money. The investigation determined that (b) (7)(C) completed wire transfers and wrote checks to a personal account from the account housing the grant funds for the complexes, in the form of wire transfers, ATM withdrawals, and checks. The case was initially accepted, but ultimately declined for prosecution by the U.S. Attorney's Office (b) (5).</p>	Prosecution Declined
3/1/2016	<p>A referral received by the Office of the State Auditor – Disaster Fraud Prevention and Detection Unit alleged that records of (b) (7)(C) were being falsified to qualify applicants for housing under (b) (7)(C). The investigation determined that fraudulent tenant applications and leases were created for residents at (b) (7)(C). False information provided included income, occupancy, and other information. The property manager allegedly aided and abetted applicants in providing the false information. The case was presented to the District Attorney's Office in (b) (7)(C) who declined to seek prosecution.</p>	Prosecution Declined
4/6/2015	<p>A referral from the Mississippi Development Authority (MDA) alleged that (b) (7)(C) misused HUD Community Develop Block Grant (CDBG) funds in connection with the renovation of (b) (7)(C) (b) (7)(C). The investigation revealed that a consultant for the project submitted an application and certification for payment for the construction of a new (b) (7)(C) supported by multiple documents. These supporting documents were altered from being identified for (b) (7)(C) in order to get the application approved for payment. This occurred because the construction of the (b) (7)(C) was actually outside the scope of the CDBG grant for the (b) (7)(C). The findings of the investigation were presented to the U.S. Attorney's Office, who declined to prosecute. However, the (b) (7)(C) entered into a repayment agreement with HUD for the amount of the errant draw, \$80,378.07.</p>	Repayment in Lieu of Prosecution
2/16/2016	<p>A referral from HUD's (b) (7)(C) identified numerous findings with several programs within the (b) (7)(C) CDBG Program. Allegations included violations of procurement procedures, overbilling and false invoicing by contractors, and failure to fulfill obligations from grant agreements. The investigation determined that a development project by the (b) (7)(C) was not completed according to the grant agreement, and that (b) (7)(C) awarded contracts to ineligible contractors, and misappropriated funds. The findings of the investigation were presented to the U.S. Attorney's Office for prosecution. Prosecution was declined, but (b) (7)(C) agreed to repay HUD \$1,510,810.00 in connection with this investigation.</p>	Repayment in Lieu of Prosecution

(b) (7)(C)

	3/8/2016	A referral from the Mississippi Office of the State Auditor alleged that the Executive Director of a housing authority was using funds from the operating funds for personal gain. It was alleged that the subject was issuing checks to contractors that did not exist. During the course of the investigation, a review was conducted of the housing authorities operating and reserve accounts, and compared with current and previous housing authority contracts. The comparison did not identify funds converted or misappropriated by the Executive Director. Upon presentation to the U.S. Attorney's Office for prosecution, the case was declined (b) (5)	Prosecution Declined
	10/21/2015	HUD OIG received a referral from HUD requesting the initiation of an employee investigation. It was alleged that a HUD employee was viewing explicit and pornographic images on their HUD-issued desktop computer. An investigation was conducted into URLs visited by the employee. The results corroborated that the HUD employee frequented inappropriate websites. Based on this employees length of employment with the agency and no prior history of discipline, the employee was given a (b) (7)(C) suspension. The HUD employee did not appeal the decision and served his suspension.	Employee Action
	7/17/2015	A Welfare Fraud Investigator for the Sheriff's Office contacted our office regarding a tenant and landlord abusing the Section 8 Program. The investigator stated the Section 8 tenant was renting a house from her husband and landlord. The investigator stated he was investigating the tenant for welfare fraud and noticed that the tenant was also receiving Section 8 benefits. The investigator stated he can prove that the tenant and landlord have been together since the early 80's. The investigator stated they have joint bank accounts, joint vehicle registrations, and other documents to support the two of them being together. The investigator stated they have received over \$5,000 in welfare benefits and over \$15,000 in Section 8 benefits since August 2007. An AUSA contacted the SA regarding the tenants and stated that she was declining this case for any further prosecution. The AUSA believes (b) (5)	Prosecution Declined
	10/28/2015	A HUD CPD Representative contacted our office regarding a concern involving one of their grantees. The HUD employee stated that a Health Services agency , a nonprofit, closed their offices in October 2013 due to lack of funds. Some of the allegations involve misappropriations of grant monies. The HUD employee stated that the Health Services agency received \$701,000 in grant money from HUD. This investigation was initiated based on a referral from a HUD CPD employee regarding allegations involving a Health Services agency. Specifically, it was reported that the previous Executive Director of the Health Services agency misappropriated funds. As a result, the Health Services agency will have to cease operations. The local Police Department conducted an audit of the financial expenses of the Health Services agency. After a review of financial records, it was determined no substantial amount of project funds were misappropriated. The Audit revealed no criminal violations. As a result, the County Attorney handling this investigation declined this case for prosecution.	Prosecution Declined

(b) (7)(C)

		A referral from another federal law enforcement entity alleged a FHA borrower provided false information in support of a FHA-insured mortgage loan. The investigation determined the borrower submitted fraudulent bank statements, paystubs and Verification of Employment (VOE) in support of the loan application. Furthermore, the borrower was unable to make mortgage payments; however, HUD did not suffer a loss as an indemnification agreement was in place with the lender prior to the mortgage going into foreclosure. The borrower was sentenced in U.S. District Court to one day incarceration followed by four years supervised release.	Successful Prosecution
	2/26/2016		
		A referral from a HUD employee alleged another HUD employee misused government time by taking personal telephone calls and conducting personal business while on government time. The investigative findings did not support the allegations. In addition, the HUD employee retired prior to the completion of the investigation, which was unrelated to this investigation.	Prosecution Declined
	11/27/2015		
		A referral from a FHA borrower alleged to be the victim of a loan origination fraud scheme, multiple times, on the same property, all at the same time. The borrower said FHA paid two claims on the borrower's home, one in 2010, and again in December 2014. The borrower claimed to have paid the mortgage, yet the borrower's home went into foreclosure, and was later sold. However, the borrower was never evicted, but received a letter from a bank claiming to be the "new" servicer for the loan. The investigation determined the statute of limitations expired prior to the borrower contacting HUD/OIG with the allegations. The investigation was declined for criminal prosecution.	Prosecution Declined
	9/23/2015		
		HUD OIG received a written complaint from an individual who alleged she had been working with a loan modification company who she is no longer able to contact. The complainant stated that she sent the company \$2900 up front, believing that the company would process a loan modification for her. Preliminary investigation revealed that the complainant was under the impression the company was in some way affiliated with the Federal Government due to the logo they were using. Ultimately, the head of the company was sentenced to 121 months incarceration and another industry professional was sentenced to 60 months incarceration. Both were sentenced to pay 1.4 million in restitution to the victims of the fraud.	Successful Prosecution
	12/15/2015		
		HUD OIG received a complaint from an Indiana Housing Authority alleging a Housing Choice Voucher (HCV) tenant was committing fraud in relation to the HCV program. It appears this fraudulent activity (falsifying documents, unreported income, and unreported live-ins) has been occurring for several years. Investigation revealed that the landlord was also the grandfather of the HCV tenant and was potentially aware of the unauthorized occupant. Further investigation showed that the HCV tenant had been arrested several times while receiving assistance and lied on Housing Authority documents requiring her to disclose her arrests. The HCV tenant was charged and sentenced to 540 days incarceration (suspended), 1 year probation, 35 days community service and ordered to pay \$3,600 in restitution.	Successful Prosecution
	7/1/2015		

(b) (7)(C)

		<p>This investigation was initiated based on a referral from the Housing and Urban Development (HUD), Homeownership Center, Quality Assurance Division, regarding a Federal Housing Administration (FHA) borrower. Specifically, it was reported that the borrower used his son's social security number to obtain a FHA insured mortgage loan on a property. The borrower's son shares the same name as the borrower. The investigation revealed that the borrower obtained an FHA insured mortgage loan using his son's social security number and false employment information that was substantiated with false paycheck stubs, false W-2 forms, and false tax returns. A bank account listed for the borrower was also determined to be false. Further, the borrower failed to disclose on the loan application that he jointly owned another property with his wife at the time. Furthermore, although the borrower obtained the mortgage loan on the FHA insured property as an owner occupied property, on that same date, the borrower completed a housing authority change of ownership form indicating section 8 payments should be directed to him. The findings of this investigation were referred to the U.S. Attorney's Office for prosecutorial consideration. The case was eventually declined by the USAO (b) (5)</p>	Prosecution Declined
	12/1/2015		
		<p>This investigation was predicated upon allegations from the United States Attorneys' Office alleging that a licensed loan officer and owner of a mortgage company was originating loans for unqualified borrowers with the promise that he would manage the properties for the borrowers. This loan officer/owner and others allegedly recruited buyers with fair credit to obtain FHA insured mortgages on properties with the promise that Section 8 tenants would be obtained to pay off the mortgages. The buyers would obtain a cash incentive for purchasing these properties and could then return the property to the distressed seller or resell the property and turn a profit at a later time. In addition, a local Housing Authority provided Housing Assistance Payments (HAP) to the loan officer/owner as the managing agent on these properties. The loan officer/owner also owned other companies that were involved in property management, real estate investment, construction, and rehab. The subject loan officer/owner pled guilty pursuant to an Alford Plea and was sentenced to 28 months in custody of the Bureau of Prisons, supervised release for one (1) year, and was ordered to pay to restitution in the amount of \$754,113.</p>	Successful Prosecution
	3/2/2015		
		<p>A referral from a local housing authority alleged a tenant who has been on Section 8 since 1998, purchased four properties in 2006 and failed to report these purchases to the housing authority. The housing authority referred the Section 8 tenant after discovering that she had purchased properties while claiming a minimal amount of income which made her eligible to receive housing assistance. The tenant purchased properties, although unqualified to do so, then failed to make mortgage payments resulting in foreclosures. The Section 8 tenant did this with the help of several individuals who allegedly enticed and qualified buyers to obtain mortgage loans on numerous properties which they were unqualified to receive based on fictitious employment and assets. The Section 8 tenant, along with one (1) loan officer, two (2) borrowers, two (2) sellers, and one (1) real estate agent were indicted in federal court. All seven (7) defendants pled guilty and received prison sentences ranging from 1 day to 60 months, 2 to 5 years probation, 100 hours community service, and ordered to pay restitution (joint and several) from \$321,000 to \$1,828,850.</p>	Successful Prosecution
	4/1/2015		

(b) (7)(C)

	3/22/2016	<p>This investigation was initiated upon the request for investigative assistance from several federal, state, and local law enforcement agencies and the United States Attorney's Office (USAO) pertaining to a multifamily project. Specifically, the subject landlord purportedly owns the multifamily project and was able to obtain the loan through low-income tax credits. Further, it was alleged that the landlord's wife, had an affiliation with the local Housing Authority, either as an employee or a member of the Board of Commissioners. Among the allegations that have been brought forward by the aforementioned agencies include bypassing of the waiting list; steering of tenants to the multifamily project; illegal use of NCIC by a local police department to check tenant backgrounds as favor to the landlord; and contractor fraud, in that contractors working at a local university were also performing contract work at the multifamily project. Search warrants were conducted and several Section 8 tenant interviews and tenant file reviews were completed. The HUD violations never materialized in this case and the main focus of the investigation became a violation of the Cleary Act. The USAO declined prosecution of this case on the HUD charges.</p>	Prosecution Declined
	5/13/2015	<p>This investigation was initiated upon receipt of information from an attorney's office that alleged two (2) owners of a multifamily project and LLC, submitted fraudulent documentation to HUD in order to obtain a FHA insured loan for a multifamily property. Further investigation revealed that the two owners defaulted on the FHA insured loan and did not submit financial statement to HUD as required by the Regulatory Agreement. Following this, HUD paid a mortgage claim of over \$12 million for the multifamily property. The two owners also acted as the management agent for another multi-family property located in Illinois for which the two owners allegedly obtained a junior mortgage by forging documents, in which investor partners, and the LLC, consented to the junior mortgage. Subsequently, the two owners sold the second multifamily property without the knowledge and/or consent of the junior partners and diverted proceeds to pay off the junior mortgage on the property, when they should have paid the superior mortgage held by the investor partners. The money diverted was approximately \$1.5 million. Finally, since the receipt of these allegation, HUD OIG has discovered that one of the owners is either the owner, management agent, or both for eight additional multifamily properties located in Ohio, Tennessee, Indiana, Missouri and Nebraska. Many of these developments are also alleged to be insured by HUD, in default, or been foreclosed. the owner plead guilty to count one, wire fraud and count three, equity skimming. One (1) owner was sentenced on January 15th, 2015, to 78 months in prison. He was also ordered to pay restitution in the amounts of \$1.2 million to a real estate firm, \$543,000 to HUD and \$25,000 to an attorney.</p>	Successful Prosecution

(b) (7)(C)

12/2/2015	<p>This investigation was initiated from the receipt of information from a Vice President at a mortgage Services Company relative to a Title Company. The mortgage servicer advised that they wired approximately \$400,000.00 to the subject Title Company in connection with an FHA refinance of borrower. It is alleged that the subject title company did not pay the borrower's original loan and has closed their title company's operations. Consequently, the FHA borrower had two outstanding notes on her property. Further investigation revealed that several other mortgage companies had twelve (12) additional claims totaling over \$2,000,000 on original mortgages that were never paid by the subject Title Company. These mortgage companies also wired funds, on behalf of borrowers, to the subject Title Company. The investigation revealed that one of the owner's allegedly diverted funds from the subject title company's escrow account to an overseas bank. The second owner made several unauthorized transfers that totaled \$800,000 from the subject Title Company's escrow account to the Title Company's operating account. Owner 1 was indicted, pled guilty, and sentenced in federal court to six months incarceration, two years' probation and to pay restitution in the amount of \$2,358,323.00. Owner 2 was indicted, pled guilty, and sentenced to one year and one day incarceration and to pay over \$1.4 million in restitution.</p>	Successful Prosecution
2/10/2016	<p>A referral from another federal law enforcement agency alleged that a Section 8 Landlord and several of his co-conspirators were involved in conventional mortgage fraud. Law enforcement agents had identified numerous checks from the Housing Authority being deposited into the landlord's accounts for properties in which he was involved. Although the landlord had been arrested at the time of the referral from the law enforcement agency, the U. S. Attorney's Office requested HUD OIG's involvement to determine whether or not the landlord used one of his companies or business affiliates to collect Section 8 rental assistance on behalf of properties that they no longer owned and that had been sold to "nominee" buyers. Pending HUD OIG's investigation, the U. S. Attorney's Office indicated that they would consider additional charges against the landlord. The subject landlord was indicted, pled guilty, and was sentenced to thirty-six months in prison and to pay \$27,000 in restitution to HUD.</p>	Successful Prosecution
5/5/2015	<p>This investigation was initiated based on a referral from the Housing and Urban Development (HUD), Homeownership Center, Quality Assurance Division, regarding a Federal Housing Administration (FHA) borrower and Section 8 tenant. It was alleged that a borrower used false employment and income documents to obtain an FHA insured loan on a property. The borrower also failed to notify the local housing authority that she was purchasing a property. After the time of purchase, the borrower informed the lender that she was purchasing the property for her nephew. The Uniform Residential Loan Application was signed and dated by the borrower indicating that the subject property would be occupied by her. The borrower's FHA loan file and Section 8 tenant file were reviewed. The borrower was indicted, pled guilty, and was sentenced to two years of probation and no restitution was ordered.</p>	Successful Prosecution

(b) (7)(C)

2/19/2016	<p>The local Housing Authority and HUD Office of Labor Relations received several complaints involving violations of the Davis Bacon Act prevailing wages by a painting contractor, a company who performed rehabilitation work on housing authority owned properties. More specifically, the complainants alleged that the contractor underpaid employees and did not pay the applicable taxes and withholdings for some employees. The housing authority conducted a preliminary investigation that involved former and current employee interviews. The housing authority also conducted an analysis of certified payroll records that were provided by the contractor and paystubs that were provided by the employees. After comparing the certified payroll records and employees' paystubs, the housing authority determined that the certified payroll records did not match the employees' paystubs and as a result a discrepancy amount of \$290,160 in wages was identified. The subject contractor indicted, pled guilty, and was sentenced in U.S. Court to two (2) years probation and to pay restitution in the amount of \$289,172.72.</p>	Successful Prosecution
1/8/2016	<p>This investigation was initiated from a referral provided by a local housing authority pertaining to a Section 8 tenant and Section 8 Landlord. The local Housing Authority alleged that the landlord is not the true owner of the Section 8 property where the tenant resides. Upon a request from the local housing authority, the landlord provided a County parcel number sheet, which was altered, as proof of property ownership. Further investigation indicated that the landlord resides in the Section 8 unit with the Section 8 tenant. The landlord had been the recipient of the Housing Assistance Payment checks since February 2009. The landlord was indicted, pled guilty, and was sentenced in State Court to 180 days in prison and to pay restitution in the amount of \$23,493 to HUD.</p>	Successful Prosecution
10/29/2015	<p>A referral from HUD's Quality Assurance Division alleged a FHA borrower obtained a FHA-insured mortgage loan as owner occupied, but never lived in the property. The investigation supports the allegations that the borrower did not live in the home, rather rented the property. However, the borrower failed to make mortgage payments on the loan, which ultimately caused HUD to pay a claim. The investigation was declined for criminal prosecution, but was referred to HUD OGC to pursue civil remedies.</p>	Referral to Program Staff/HUD
3/15/2016	<p>A referral from a FHA borrower alleged to be the victim of a loan origination fraud scheme in which the seller and loan officer deposited money into the borrower's bank account for the down payment. In addition, the borrower believed funding for home repairs was built into the loan, but later learned (b) (7)(C) purchased the property as-is. (b) (7)(C) accepted fraudulent loan documents in support of a FHA-insured mortgage loan application. The investigation was declined for criminal prosecution, (b) (7)(C).</p>	Referral to Program Staff/HUD
3/15/2016	<p>A referral from a bank alleged a former loan officer submitted false and fraudulent loan applications in the name of other individuals for the property the loan officer personally lived in. The investigation determined the loan officer obtained two FHA-insured mortgage loans, a conventional loan and a line of credit, all at the same time by creating and filing fraudulent mortgage satisfaction letters. Additionally, the loan officer was unable to make mortgage payments which resulted in HUD paying multiple claims. The loan officer was sentenced in U.S. District Court to 6 months incarceration and 3-years supervised release, and ordered to pay restitution in the amount of \$109,797.</p>	Successful Prosecution

(b) (7)(C)

	4/23/2015	A referral from a Housing Choice Voucher Program (HCVP) tenant alleged the tenant's landlords were charging the tenant rent in excess of the contract amount initially agreed upon between the tenant, landlord and housing authority. The investigative findings supported the allegations and also determined the landlords allegedly defrauded the U.S. Bankruptcy Court after failing to report monthly rental income on their bankruptcy petition and statement of financial affairs. The investigative findings were declined for criminal prosecution.	Prosecution Declined
	12/30/2015	A referral from another federal law enforcement entity alleged a Housing Choice Voucher Program (HCVP) landlord rented the subsidized unit to the landlord's mother. The investigative findings supported the allegations and determined the landlord rented the HCVP unit to the landlord's mother from August 2009 through February 2014, and the landlord received \$25,611 in Housing Assistance Payments (HAP) the landlord was not entitled to receive. The landlord was sentenced in the Court of Common Pleas to five years community control, complete 200 hours of community service and ordered to pay restitution in the amount of \$25,611.	Successful Prosecution
	12/30/2015	A referral from a multifamily apartment management company alleged a former property manager embezzled funds from the property and its residents. The investigation determined from August 2013 to May 2014, the former property manager co-endorsed and improperly deposited into a personal bank account, tenant rent checks and money orders made payable to the multifamily housing complex. Likewise, the former property manager forged tenant signatures on utility allowance payments and converted these payments for personal use. The former property manager was accepted into an intervention in lieu of conviction program and was ordered to pay \$12,561 in restitution.	Repayment in Lieu of Prosecution
	5/18/2015	Allegations were received that a Housing Authority (HA) Housing Choice Voucher Program (HCVP) supervisory employee directed HA personnel to delay reporting tenant terminations in HA databases. A joint meeting to discuss the allegations was held with U.S. Department of Housing and Urban Development program staff and HUD Office of Inspector General (OIG) Investigations and HUD OIG Audit. Subsequently, this case was referred to HUD Public Housing Department for any action deemed appropriate.	Referral to Program Staff/HUD
	10/30/2015	A referral from another federal law enforcement entity alleged a Housing Choice Voucher Program (HCVP) landlord rented the subsidized unit to the landlords sister. The investigation determined from January 2009 through February 2015, the landlord, through the landlords management company, rented the HCVP unit to the landlord's sister and received approximately \$35,611 in Housing Assistance Payments (HAP) he/she was not entitled to receive. In addition, the landlord failed to disclose ownership interest in LRG and rental income from the bankruptcy trustee in a subsequent bankruptcy filing. The landlord was sentenced in U.S. District Court to two-years probation and ordered to pay restitution in the amount of \$35,611.	Successful Prosecution
	11/2/2015	An anonymous complaint alleged Housing Authority (HA) employees were misusing HA issued credit cards. The investigation determined purchases unrelated to HA operations were made by employees using HA issued credit cards, but investigation was unable to establish a pattern relative to an individual or group of individuals who allegedly engaged in this activity. the investigation was declined for criminal prosecution.	Prosecution Declined



(b) (7)(C)

6/29/2015	<p>A referral from a Housing Authority alleged a former Housing Choice Voucher Program (HCVP) tenant had ownership interest in the property the tenant was living in. The investigation determined the tenant failed to disclose ownership interest in the unit the tenant was residing in and received \$54,416 in rental subsidies the tenant was not entitled to receive. In addition, the tenant recruited straw borrowers and ensured they qualified for financing by providing false information on their loan application for six conventional mortgages, which were eventually foreclosed upon causing a \$2.06 million loss to several financial institutions. The tenant was sentenced in U.S. District Court to 48 months incarceration followed by 5 years supervised release and ordered to pay restitution in excess of \$2.03 million.</p>	Successful Prosecution
11/5/2015	<p>This investigation was initiated based on a referral from the Housing and Urban Development (HUD), Homeownership Center, Quality Assurance Division, regarding a Federal Housing Administration (FHA) borrower. It is alleged that a borrower opened multiple new accounts including an additional mortgage with another lender, both prior to and shortly after the closing of the subject FHA loan. Further review of the loan documentation and on-line systems checks indicate that the subject FHA loan is now in default with zero loan payments having been made. The Quality Control credit report also reveals that the borrower opened an additional sixteen new accounts during the month prior to closing on the FHA insured loan. Although evidence did indicate that the subject borrower was a strawpurchaser, and did illegally obtain two mortgages, one of which was FHA insured, the HUD OIG SA received a case declination from ASA at the County State's Attorney's Office.</p>	Prosecution Declined
7/17/2015	<p>A referral from a federal law enforcement agency alleged a property and business owner was involved in mortgage fraud. During a recorded conversation with a CI, the owner indicated he is buying residential properties through a corporation he controls for cash. The owner then files a fictitious mortgage associated with the property and sells the property at an inflated value, all the while realizing the sales proceeds. The owner sells the properties through his company and creates separate LLC's for each property. The findings of this investigation were referred to both the United States Attorney's Office and the State's Attorney's Office for prosecution. Both prosecuting entities declined to prosecute (b) (5)</p>	Prosecution Declined
11/5/2015	<p>A referral from a County Office of the Independent Inspector General alleged fraud was being committed by a nonprofit agency that received Neighborhood Stabilization Program (NSP) funds. More specifically, it was alleged that the nonprofit agency used fraudulent invoices in order to generate increased revenue from NSP funding that was administered by the County Bureau of Economic Development. Additionally, it was alleged that the quality of work being completed, pursuant to the NSP, was inferior and done in violation of building codes. HUD OIG SA spoke with the County Prosecutor's office concerning the investigation involving the nonprofit agency and Executive Director. The prosecutor was briefed about the investigation and told that no evidence of any particular criminal activity was found. The prosecutor advised that the States Attorney's Office would not take any further action.</p>	Prosecution Declined
12/1/2015	<p>A referral from HUD's Home Ownership Center alleged that a borrower provided false information when refinancing his FHA insured loan. Specifically, it was alleged that the borrower resided at another residence, which closed 3 days following the FHA closing. HUD OIG presented this investigation to the District Attorney (DA) who declined the case for prosecution. The DA stated (b) (5), the DA's office was not interested in pursuing the matter further.</p>	Prosecution Declined

(b) (7)(C)

6/22/2015	<p>HUD OIG Audit referred this case based on a preliminary external audit report. Two (2) issues of concern: 1) A current Commission employee (recently terminated due to this alleged conduct), employed as the (b) (7)(C) (program), awarded her two sons housing assistance in the program that she manages. The employee also awarded a Commission Board member's brother entry into the program. None of the three individuals were on the waiting list, and none were eligible since the program only serves homeless persons with disabilities. All three have been terminated from the program. \$20,816 was spent to house the sons, and \$13,372 to house the Board member's brother. The Grants Coordinator was charged with two counts of felony false pretenses and sentenced to one day incarceration and ordered to pay \$18,347 in restitution.</p>	Successful Prosecution
2/2/2016	<p>This was a proactive investigation worked jointly with (b) (7)(E) he investigate focus was on possible civil fraud and criminal violations relative to possible false statements made to HUD as part of the FHA insured mortgages originated by Michigan based lenders. One large lender agreed to settle for \$1.5 million to satisfy civil claims, in which, the U.S. Government alleged the company acted with reckless disregard in its processing of FHA insured mortgages.</p>	Successful Prosecution
9/1/2015	<p>HUD OIG received allegations from a lender alleging that a non-arms length transaction had occurred between the buyer and seller of an FHA insured property. The lender was informed by the investor that the seller was still occupying the property which was sold via a short sale. The subject property was sold a relative of the seller and the short sale agent was also the brother of the seller and relative of the borrower. The main target of this investigation is also a target in another HUD OIG investigation. The two investigations have been merged to form a more comprehensive case.</p>	Administratively Closed
3/24/2016	<p>An anonymous letter sent to the HUD Hotline alleged illegal activity was being perpetrated by an Executive Director of a local housing commission to include housing discrimination related to black housing applicants. Following a comprehensive investigation, the facts were presented to the United States Attorney's Office and ultimately declined for prosecution (b) (5)</p>	Prosecution Declined
3/30/2016	<p>HUD staff notified HUD OIG that it had closed on a HUD REO home but when the purchaser went to move into the home he found it occupied by another who claimed he had just purchased it four days earlier. The deed was registered (b) (7)(C), but it appears to be fraudulent, as it contains the wrong seller and the Notary stamp was altered, among other irregularities. The individual that fraudulently sold the property was charged and sentenced to 90 days in jail and restitution to the victim in the amount of \$7,000.</p>	Successful Prosecution
5/18/2015	<p>A referral from HUD's Office of Public and Indian Housing alleged a Housing Authority (HA) sponsored Credit Union (CU) planned to lay off its employees due to financial troubles. In addition, there were concerns that the employees of the CU are also HA employees, which raised issues of conflict of interest and possible violations of the National Credit Union Association (NCUA) rules. A simultaneous HUD/OIG Audit found the HA, under the direction of its former executive directors, inappropriately used more than \$6.3 million in public housing operating and capital funds to pay ineligible expenses. The investigation was declined for criminal prosecution.</p>	Prosecution Declined

(b) (7)(C)

	11/2/2015	A referral from a former employee of a non-profit alleged the executive director of the non-profit embezzled federal funds for personal expenses. Investigation revealed serious mismanagement of federal dollars coming into the non-profit for the years of 2009-2013. Through interviews and records review agents learned the executive director had a difficult time making payroll and paying the bills on time. However, financial analysis determined no loss. The investigation was declined for criminal prosecution.	Prosecution Declined
	9/11/2015	A referral from another law enforcement entity alleged a former Housing Authority (HA) Program Manager (PM) embezzled HA funds. The investigation determined from January 1, 2008 through September 16, 2014, the PM issued checks from the HA's bank account to himself/herself. Because HA checks required two signatures, including the Executive Director's (ED), the PM allegedly co-endorsed the checks using a stamp of the ED's signature to which the PM had ready access. The PM then deposited the HA checks into a personal bank accounts. In order to conceal the theft of funds, the PM created fake invoices from legitimate HA vendors. The PM was sentenced in U.S. District Court to sentenced to 16 months incarceration and ordered to pay restitution in the amount of \$232,404.	Successful Prosecution
	3/1/2016	A referral from a Housing Authority alleged a Housing Choice Voucher Program (HCVP) landlord and tenant living together. During the course of the investigation, circumstantial evidence was obtained linking the landlord and tenant as being romantically involved. However, the investigation was unable to support the allegations that the two were co-habituating as landlord and tenant. The investigation was declined for criminal prosecution.	Prosecution Declined
	4/17/2015	HUD OIG was contacted by a local law enforcement agency who alleged the President of (b) (7)(C) used resident council funds for personal use beginning in December 2012. The investigation revealed that the subject had, in fact, convert resident council funds to her own personal use. The findings were presented to the prosecutor but before charges could be issued the subject passed away.	Administratively Closed
	11/4/2015	HUD OIG received a referral from HUD alleging the owner and manager of a Section 232 New Construction/Substantial Rehab Assisted Living Facility (ALF) with a HUD insured mortgage interest of \$7,612,300 was alleged to conspire with others to obtain the HUD insured loan under false pretenses. In addition, it is alleged that the building where the residents were to be housed has been altered without HUD's consent and that the loan is now in default. HUD OIG conducted an investigation that did not yield sufficient evidence to show criminal intent on behalf of the subjects. The findings of the investigation were provided to the US Attorney's Office but ultimately declined for criminal prosecution. This case has been referred to HUD OIG Audit for possible civil remedy.	Prosecution Declined
	2/10/2016	A Bank self-reported to the HOC that a borrower, might have been a straw buyer and the transaction an illegal property flip. The property was located (b) (7)(C) in an area embattled by high instances of mortgage fraud. The borrower was indicted, pled guilty, and was sentenced to two (2) years probation, a \$131,000 judgment in favor of a Bank, and \$404.00 in court fines and costs.	Successful Prosecution

(b) (7)(C)

	<p>This investigation was initiated based on referrals from the Denver HOC, alleging that that an individual borrower did not purchase the subject property with the intent of occupying it as his primary residence and also involved possible income and asset misrepresentation. Instead, it is alleged that the transaction was most likely to bail out the sellers and prevent them from foreclosure. One (1) loan officer was charged by Information and pled guilty. The loan officer was sentenced to time served, three years (3) of probation, and was ordered to pay restitution of \$363,985.41, joint and several. One (1) (b) (7)(C) was indicted and after an 8 day trial was found guilty. The mortgage broker was sentenced to 150 months of incarceration; five years of supervised release; and was ordered to pay restitution of \$1,971,091. One (1) borrower was indicted and has never been arrested. The borrower remains outside of the U.S. and is now a fugitive.</p>	Successful Prosecution
2/26/2016	<p>HUD OIG received information from the U.S. Attorney's Office and a Financial Crimes Task Force regarding a builder bail-out scheme involving approximately 25 conventional and/or FHA properties (b) (7)(C) area. The scheme involves mortgage brokers, loan officers, appraisers, real estate agents, closing agents, straw-buyer recruiters, and straw buyers linked to a current HUD OIG case. Specifically, a non-targeted loan officer and straw-buyer recruiter is a target in the Task Force case. An analysis of the loan officer's conduct known to HUD OIG reveals that he served as a loan officer and a straw-buyer recruiter on two (2) fraudulently obtained FHA insured mortgages. According to the Task Force, this loan officer played similar roles in the builder bail-out scheme. The losses to the FHA fund on the two (2) mortgages are estimated at approximately \$267,000. One (1) loan officer was charged by information, pled guilty, and was sentenced to three (3) years of probation and ordered to pay restitution in the amount of \$497,732.81, of which, \$245,514.62 is joint and several with a defendant in another case. One (1) borrower was indicted, pled guilty and was sentenced to time served with no supervision to follow. One (1) recruiter was indicted, pled guilty, and was sentenced to 18 months of incarceration, three (3) years of supervised release; and was ordered to pay restitution in the amount of \$166,833.03, joint and several with a defendant in another case.</p>	Successful Prosecution
4/1/2016	<p>A referral from HUD's Home Ownership Center alleged that a the mortgagor obtained an FHA insured mortgage in November 2012 and was already delinquent on her mortgage by March 2013. Moreover, it is alleged that she did not occupy the residence, but instead rented out the property. The findings of this investigation were referred to U.S. Attorney's Office, for prosecutorial consideration. The AUSA declined to prosecute the case (b) (5). Based on the above information, no further investigation is warranted and this case is closed.</p>	Prosecution Declined
11/5/2015	<p>A federal law enforcement agency contacted HUD OIG regarding an ongoing criminal investigation involving a Section 8 tenant. The agency alleges that the tenant received public medical assistance through the County in excess of what he may have been entitled to receive by misrepresenting his household income. According to the agency, the tenant reported monthly wages of \$1,775.52 on his Health Care Programs Renewal, dated November 12, 2011, when investigative materials reviewed to date indicate The tenant's true income may have been approximately \$6,000 per month. A search of HUD databases revealed that the tenant has been a tenant in the Public Housing and Section 8 programs administered by the two (2) different Housing Authorities since 2010. The tenant was indicted, pled guilty, and was sentenced to 179 days in the County Workhouse and three (3) years of supervised probation. The tenant was also ordered to pay \$74,547 in restitution including \$30,482 to two (2) housing authorities.</p>	Successful Prosecution

(b) (7)(C)

10/20/2015	<p>A referral from the Internal Revenue Service-Criminal Investigation (IRS-CI)/Financial Crimes Task Force alleged a borrower obtained an FHA insured mortgage under fraudulent pretenses by submitting a URLA containing false information. According to the IRS-CI/FCTF, the borrower, along with family members, owned and operated multiple cell phone businesses in the area. The cell phone businesses were used as store fronts to buy and sell stolen cell phones. Assets, including the FHA insured property, were put in the borrower's name. The borrower and 19 others were indicted on Conspiracy to Engage in Interstate Transportation of Stolen Goods. Since the indictment, family members are cooperating and in the process of working out plea agreements. The FHA binder for the borrower's property was reviewed, organized, duplicated, and delivered to the AUSA in the event it was needed to support additional charges with respect to the borrower. Additional charges against the borrower, relative to the FHA loan, did not materialize and the AUSA declined to charge the borrower with FHA fraud.</p>	Prosecution Declined
11/18/2015	<p>A referral from HUD's Home Ownership Center alleged a lender self-report from a Mortgage company, a division of national Bank, relative to seven (7) loans originated by a Loan Officer. It is alleged that the loan officer, a loan processor, and a loan assistant were involved in signature misrepresentation on various loan documents. It is further alleged that signature "clippings" were found in the borrower's files and that the loan officer admitted to forging disclosure documents to the bank's HR Department. All three employees were terminated from employment. HUD OIG Special Agent presented this case to an AUSA, (b) (7)(C), for prosecutorial consideration. The AUSA declined to prosecute the case.</p>	Prosecution Declined
4/11/2016	<p>A referral from HUD's Processing and Underwriting Division alleged at least two FHA approved appraisers shared their electronic files. The investigation determined the appraisers shared their appraisals, but submitted them as if their own work product. In addition, the investigation disclosed in two instances the seller of the properties was the same individual. Further investigation disclosed the seller purchased and resold dozens of homes in the greater Cleveland, OH area. The properties were allegedly purchased at a reduced market value, refurbished and resold to a group of investors. The properties were then resold to Federal Housing Administration (FHA) buyers of who allegedly could not qualify on their own and fictitious leases and gift letters were utilized and down payment assistance was provided. Furthermore, several of the aforementioned borrowers were unable to make their mortgage payment, which may result in HUD paying claims to various lenders. Although the investigation was accepted for prosecution early on in the investigation, the investigation was ultimately declined for criminal prosecution.</p>	Prosecution Declined
3/15/2016	<p>A referral from a Housing Authority (HA) alleged a landlord charged Housing Choice Voucher Program (HCVP) tenants for utility payments the landlord initially agreed to pay. Investigation determined the landlord signed a Housing Assistance Payment (HAP) contracts and Residential Property Lease Agreements which indicated the landlord would pay for utilities, thus allowing the landlord to charge higher rents. However, landlord required his tenants to pay the utilities. the landlord was sentenced in the Court of Common Pleas to one year incarceration and ordered to pay restitution in the amount of \$2,872.</p>	Successful Prosecution

(b) (7)(C)

		A referral from a defendant from another HUD OIG investigation alleged a realtor provided the gift funds required to purchase an FHA-insured property. The investigation determined the realtor provided funds to the borrower in order to assist the borrower in qualifying for a FHA-insured mortgage loan they were not otherwise qualified to receive. Additionally, the realtor prepared a gift letter indicating that the down payment assistance came from the borrower's mother. Furthermore, the borrower was unable to make mortgage payments, which resulted in HUD paying a claim. The realtor was sentenced in U.S. District Court to one day incarceration followed by three years of supervised release and ordered to pay restitution in the amount of \$82,758.	
	2/26/2016		Successful Prosecution
		A referral from a state regulatory agency alleged a Housing Authority (HA) Executive Director (ED) embezzled federal funds. The investigation supports the allegations that the ED fabricated invoices in order to initiate the draw process and made numerous inter-fund transfers including moving \$3,000 from a CDBG account into a general fund in order to make payroll. In addition, the investigation revealed the ED used an agency credit card for personal use which totaled approximately \$3,500. The investigation was declined for criminal prosecution.	
	5/20/2015		Prosecution Declined
		This office was contacted by a law enforcement agency regarding a Section 8 Tenant. The Section 8 tenant is residing in 221-insured Multi-Family housing and allegedly not reporting income from additional employment under a long-term alias name. Unreported income, since 2004, appears to exceed the amount of income reported to the project managers for compliance with 221(d)(4) requirements. The tenant was alleged to have maintained multiple identities under which received housing subsidies in the form of low income tax credits in a FHA insured project. The Section 8 tenant was indicted, pled guilty, and was sentenced to 24 months of probation, 200 hours of community service, and a fine of \$18,114. The tenant was also charged with Social Security fraud for the misuse of a SSN and false statements in the application for a passport.	
	5/1/2015		Successful Prosecution
		A referral from a Housing Authority (HA) alleged fraud within the Housing Choice Voucher Program (HCVP). The investigation determined an individual impersonated a HCVP tenant and provided false identification and information on annual housing certifications. The individual was accepted into an intervention in lieu of conviction program and placed on 12-60 months probation, ordered to complete 100 hours of community service and pay restitution in the amount of \$2,840 in restitution.	
	10/5/2015		Successful Prosecution

(b) (7)(C)

		<p>A referral from the United States Postal Inspection Service alleged a remodeling contractor is defrauding elderly African American individuals who live on the west and south side. The two owners and others operate the remodeling company and target these victims through a home repair scheme. The contractor recommends a variety of repair work and when the elderly homeowner cannot afford to pay for the repairs in cash they are directed to a mortgage company and loan officer who are friends of the contractors and have them apply to refinance their FHA insured mortgages. When the refinance is completed, the remodeling contractor and the owners either have the checks made out to them with the help of the mortgage company and loan officer or have the victim sign over the check under false pretenses. Under either scenario the contractors take the refinance money which averages \$75,000.00 and stop any work that was started on the victims house. The contractors and others also allegedly steal money, drugs and guns from the victims houses while recommending the repair work and conducting minor repairs. The two owner/contractors were indicted and following a trial, they were found guilty by a jury. The two owners/contractors were each sentenced to fourteen years (14) in prison to be followed by three (3) years of supervised release for each and ordered to jointly pay restitution in the amount of \$710,783.00.</p>	Successful Prosecution
	4/28/2015		
		<p>A Mortgage company reported to HUD's Home Ownership Center (HOC) that a borrower did not move into the property as agreed. A records check shows the borrower lives in another area of the country. Analysis done by the HOC indicates that the property was an illegal flip, and the property value was inflated. The property was (b) (7)(C), which is adjacent to the a neighborhood that is well known for high instances of mortgage fraud. The findings of this investigation were referred to the County State's Attorney's Office for prosecutorial consideration. The case was declined by the County State's Attorney's Office.</p>	Prosecution Declined
	1/26/2016		
		<p>A Hotline complaint alleged that a Deputy Director of a local Housing Authority believed that three housing authority checks might have been counterfeited and cashed at two different banks. The Deputy Director told the Hotline that the checks displayed housing authority information, but were not official housing authority checks. HUD OIG discussed the status of the case with the County State's Attorney office and was advised (b) (5)</p>	Prosecution Declined
	9/4/2015		
		<p>HUD OIG was contacted by a detective from the (b) (7)(C) Prosecutor's Office regarding a realtor who was providing down payments for home buyers in multiple FHA properties. The realtor was allegedly funneling money through a local high school association that her son was recently arrested for embezzling monies from. After that arrest and a cursory investigation, the detective became aware of the other possible monies going to homebuyers utilizing FHA insured mortgages. The realtor was charged in this case but ultimately the charges were dismissed and no additional subjects have been identified.</p>	Prosecution Declined
	12/2/2015		

(b) (7)(C)

		HUD OIG received an anonymous written complaint about possible mortgage fraud occurring in the Indianapolis area. The complaint alleges that two borrowers worked with a Mortgage broker who is related to them, to secure an FHA Loan on a residence that they never occupied or intended to occupy. The anonymous complaint includes supporting documentation indicating that the borrowers purchased the property for their and her husband. The complaint includes documentation indicating that the daughter and her husband had recent bankruptcies and foreclosures and were not able to qualify for an FHA mortgage. It is also alleged that the purchasers sold the property to their daughter on a land contract, signing an "arm's length" transaction, yet still filed for the Homestead Credit on the property, and collected the \$6,500 IRS Tax incentive for purchasing the home. The findings of the investigation were presented to the County Prosecutor's Office but it was ultimately declined for prosecution.	Prosecution Declined
	6/3/2015		
		The HUD OIG Office received a referral from HUD advising that they had been notified by a lender of alleged fraudulent activities found in the origination process of an FHA insured loan. Specifically, it is alleged that borrower did not reside at the subject property. The investigation showed that the borrower did not reside in the property in accordance with HUD requirements, rented the property, and created/submitted fraudulent documents to the lender. The borrower was ultimately charged and sentenced to 1 year incarceration (suspended), 40 hours community service, and a fine of \$1,000.	Successful Prosecution
	3/31/2015		
		HUD OIG received information from the FBI referencing possible fraudulent loan activity as it related to an originator/loan officer. Agents reviewed the loan file in question and noted that signatures on a rental lease agreement were inconsistent and appeared to be different throughout the file. The findings of the investigation were submitted to the United States Attorney's Office but ultimately declined (b) (5)	Prosecution Declined
	8/18/2015		
		HUD OIG Received allegations from a housing commission alleging that a Housing Choice Voucher (HCV) landlord was collecting subsidy from two different housing commissions for the same unit and two different tenants. An investigation revealed that the allegations were actually due to an administrative error on behalf of one of the housing commissions. The findings were documented and the investigation was administratively closed.	Administratively Closed
	11/16/2015		
		This investigation was predicated upon a complaint received from the Quality Assurance Division regarding a seller who sold multiple properties in the (b) (7)(C) for a high value to potential straw-buyers. Further investigation showed the seller sold six properties, of which four were FHA-insured, in a year and a half. The investigation revealed that on several properties sold by the seller, the seller's company was listed as the employer for the buyer, allowing the buyer to show assets to qualify for the FHA loan. According to documents reviewed in the investigation, it was also revealed that the seller provided funds at a closing on behalf of a buyer of his property. Additional records also showed that bank accounts listed on borrowers' loan applications did not exist or were co-signers with the seller. The above mentioned borrowers were unable to make their mortgage payments, resulting in HUD paying claims to lenders. The findings of this investigation were referred to the Cook County State's Attorney's Office in Chicago, IL, for prosecutorial consideration and was declined.	Prosecution Declined
	5/11/2015		



(b) (7)(C)

10/19/2015	HUD OIG received allegations that a Housing Choice Voucher (HCV) landlord and tenant were cohabitating in the assisted unit for a number of years. HUD OIG developed significant evidence showing the two have been living together while fraudulently collecting HCV subsidies. The investigative findings were presented to the prosecutor and the pair were ultimately charged and sentenced to 3 months incarceration, 24 months probations and restitution in the amount of \$20,000.	Successful Prosecution
9/14/2015	Information from the United States Attorney's Office (USAO) alleged that two subjects currently under indictment for other non-HUD related offenses were also suspected of committing fraud against HUD by failing to disclose significant income over the course of 9 years. HUD OIG conducted an investigation and found the allegations to be substantiated. The USAO added additional HUD related charges to the indictment and the subjects were convicted and sentenced to 18 and 27 months incarceration respectively and ordered to pay HUD restitution in the amount of \$16,000.	Successful Prosecution
3/29/2016	HUD OIG received allegations that the former Executive Director of a housing commission had significant and unnecessary travel expenses and maintained an active role in his private company while employed by the housing commission. The investigation revealed that although, the Director did have significant travel, the travel vouchers were reviewed by housing commission officials and approved. Further investigation did reveal that the executive director maintained a position at his private company and possibly conducted private business on housing commission time, but the exact amount of time could not be determined. The investigative findings were submitted to the United States Attorney's Office and the case was ultimately declined for prosecution.	Prosecution Declined
2/19/2016	A referral from HUD alleged there may be fraud, waste, or abuse within an organization that regularly receives HUD grants to administer a variety of programs. An investigation did not show evidence of fraud, although decisions by management were likely the cause that the organization failed financially. Investigative findings were presented to the United States Attorney's Office and the case was ultimately declined based (b) (5)	Prosecution Declined
11/24/2015	This investigation was initiated after Amtrak-OIG conducted an internal investigation and informed HUD OIG that one of their employees who resided at a property in (b) was receiving suspicious Section 8 landlord Housing Assistance Payments (HAP), per his bank records. After a review of housing authority documentation, HUD OIG determined that the Amtrak employee submitted documents to a local Housing Authority purporting to be the Section 8 owner of the property. The Section 8 tenant residing at the subsidized property was the employee's wife. The employee and his wife failed to disclose to the Housing Authority that they had purchased the property together in 2006. The wife and Section 8 tenant continued to submit her Recertification Application for Section 8 Housing Assistance Payments Program forms and failed to inform the Housing Authority of her assets. The employee and his wife were convicted of wire fraud by the (b) (7)(C) Attorney's Office and each sentenced to 24 months' probation.	Successful Prosecution

(b) (7)(C)

	12/14/2015	A referral from the director of a local Housing Authority (HA) alleged that multiple Section 8 tenants were illegally receiving Section 8 benefits and that several landlords were residing in their Section 8 properties, at times, with their Section 8 tenants. Additionally, HUD OIG attempted to determine whether the tenants failed to report any income or assets to the HA. After multiple interviews and review of information that included records from the HA, the investigation determined that each tenant and landlord knowingly made misrepresentations to the HA in order to receive benefits. Ultimately, three landlords and two Section 8 tenants were charged and convicted of state benefits fraud and sentenced to probation and ordered to pay restitution.	Successful Prosecution
	11/18/2015	A referral from another law enforcement entity alleged a realtor defrauded investors on real estate purchases. The investigation determined the realtor gained the confidence of investors with written contracts, charts and guarantees of profits. The realtor then partnered up with each clients to purchase, rehab, and rent homes through the Housing Choice Voucher Program (HCVP). However, the investors were not benefiting from the rental income and the properties were not being maintained to a minimum livable standard set by the Housing Authority (HA). The realtor was sentenced in the Court of Common Pleas to four years incarceration and ordered to pay restitution in the amount of \$285,994.	Successful Prosecution
	12/1/2015	A referral from the HUD OIG Hotline alleged investors purchased HUD REO homes as owner-occupied with no actual intention of occupying the property. The investigation determined several REO properties were purchased as owner-occupied, but rented to third parties shortly after closing. Investigation also determined some of the contracts to purchase the REO properties contained fraudulent proof of funds documents. The investigation was declined for criminal prosecution.	Prosecution Declined
	5/13/2015	This case was initiated based on a lender reporting its findings from a quality control review of an FHA insured loan that showed evidence of fraud. Specifically, the review documented probable employment misrepresentation in the initial loan application that indicated the borrower had been with his current employer for 1.2 years and made \$5,840 per month. The final application, dated June 24, 2009, indicated he borrower had been with the same employer for ten years and earned \$5,000 per month. Investigation revealed that the co-borrower was actually incarcerated at closing and that the borrower had brought another man to act as the co-borrower. The borrower was ultimately charged and sentenced to 30 days incarceration, 2 years supervised release, and ordered to pay \$24,000 in restitution.	Successful Prosecution
	6/24/2015	As part of a proactive joint effort between HUD OIG Investigations, Office of Audit and the US Attorney's Office, Civil Division. HUD OIG conducted an investigation into the business practices of an FHA approved lender. Investigation revealed business practices that were in conflict with FHA guidelines. The investigative findings were referred to HUD OIG Civil Division where the investigation proceeded further. The lender is currently in settlement negotiations with the United States Attorney's Office Civil Division.	Repayment in Lieu of Prosecution

(b) (7)(C)

	<p>(b) (7)(A)</p>	
3/6/2015		Prosecution Declined
5/28/2015	<p>A federal law enforcement entity referred allegations that a window factory was purposely mislabeling windows as energy star and allowing them to be sold to recipients of HUD CPD funding. An investigation did not reveal fraud in regard to the window manufacturer or installer of the windows. Further, although the investigation revealed windows from the manufacturer were installed with HUD funding, it was unclear if the windows were energy star certified. Investigative findings were presented to the United States Attorney's Office and the case was ultimately declined for prosecution based (b) (5)</p>	Prosecution Declined
1/6/2016	<p>HUD OIG was contacted by another federal law enforcement entity who reported that they had seized FHA Mortgage Insurance Premium refund checks during a search of a residence on an unrelated matter. Further investigation by HUD OIG revealed a scheme to defraud persons due Mortgage Insurance Premium refunds from FHA. Two main subjects were ultimately charged and sentenced for their part in the orchestration of the scheme. The main subject was sentenced to 66 months incarceration, 3 years supervised release, and ordered to pay \$871,000 in restitution. The co-conspirator was sentenced to 30 months incarceration, two years supervised release, and ordered to pay \$562,000 in restitution.</p>	Successful Prosecution
3/17/2015	<p>This case was predicated upon the allegation that an (b) licensed appraiser was providing inflated appraisal values to increase the equity amount for Home Equity Conversion Mortgages (HECM). Specifically, the appraiser was alleged to have inflated appraisals of homes located in various locations (b) (7)(C). The appraiser had been known to HUD OIG in previous single family investigations for similar conduct. Numerous interviews were conducted with regulatory officials, homeowners, the appraiser and other witnesses that knew the appraiser and/or had come in contact with the questionable appraisals at some point. In addition, information was collected relative to the property values. Subsequently, the appraiser was convicted by (b) (7)(C) Attorney's Office and sentenced to 24 months' probation.</p>	Successful Prosecution
3/30/2015	<p>This case was predicated upon an anonymous complaint from the Illinois Attorney General's Office in which it was alleged that approximately \$96,000 was misappropriated in CDBG funds by officials in (b) (7) IL. The anonymous complainant to the IL AGO, reports that an employee of the township applied for the funds and the funds were to be used to rehabilitate homes in the township. After further investigation, a search warrant was executed on the township office in search of records pertaining to the misuse of funds. Agents were able to determine that a township official withdrew more than \$60,000 from the township's account and used it for personal gain. The township official was convicted of 1 count of Wire Fraud and sentenced in the (b) (7)(C) to 36 months' probation and ordered to pay \$66,000 to the township of (b) (7)</p>	Successful Prosecution

(b) (7)(C)

3/2/2015	<p>A referral from HUD's Quality Assurance Division alleged that a home owner attempted to fraudulently obtain a loan modification from a mortgage company for an FHA insured mortgage on his property in (b) (7)(C) Other allegations indicated that the borrower filed for Chapter 13 Bankruptcy three separate times where it was alleged that he did not disclose his first bankruptcy on his subsequent bankruptcies. Another allegation was that the borrower was living with his Section 8 tenant in the FHA-property. The investigation showed that the borrower disclosed his previous bankruptcy petitions on his second and third bankruptcies that were eventually dismissed. Supporting information could not be obtained that lead to any relationship between the Section 8 tenant and landlord nor any evidence of fraudulent documents submitted (b) (7)(C) The loan modification was ultimately denied by the mortgage company. This case was presented and denied for prosecution (b) (7)(C)</p>	Prosecution Declined
5/13/2015	<p>A referral from the Atlanta Home Ownership Center alleged an investment group provided false documentation, to include inflated bank statements, to a mortgage company in support of an attempt to purchase a short sale home. The bank statements provided to the mortgage company for the purchase of the property were further analyzed by the bank from where the statements purported to be from and determined the financials were correct on the bank statements and the investment group did have approximately \$325,000 available in their account to purchase the property. Investigators at the mortgage company had no further evidence to show that the investment group had submitted additional false information in regards to the purchase of the short sale property.</p>	Prosecution Declined
5/14/2015	<p>A referral from the (b) (7)(C) State's Attorney's office as well as HUD's Quality Assurance Division alleged a contractor/seller sold numerous properties to straw buyers. The investigation revealed that the contractor, to include other individuals, provided funds to numerous straw buyers in order to assist them in qualifying for FHA insured mortgage loans that they were not otherwise qualified to receive. Not only were the allegations shown to be true, supporting evidence also showed that the loan originator on many of the subject loans was aware that the contractor provided funds to the borrowers. Additionally, other loan officers, recruiters and the borrowers were paid for their involvement with the loans; these payments were not listed on the HUD-1 Settlement Statements or disclosed to the lenders. Many of the borrowers were unable to make their mortgage payments which resulted in a loss to HUD and other financial institutions. This investigation was prosecuted by the Illinois State's Attorney's Office. There were 21 individuals charged in this case and 20 convictions that resulted in sentences that included probation, restitution and incarceration.</p>	Successful Prosecution

(b) (7)(C)

2/8/2016	<p>A referral from HUD's Community Planning and Development office and the FBI alleged that the recipients of a grant misused funds derived from a HUD SHP grant and comingled them with their church organization. The grant was to be utilized for providing transitional housing and counseling services for homeless and or people suffering from addictions. In addition, the grantee was to provide the program participants with vouchers to purchase food and bus passes. The investigation revealed that the grantee did comingle funds between their non-profit and church organization, however, there was no provable indication that these entities benefited from the comingling of these funds which was a concern for the prosecutor's office. There was also a lack of evidence to support allegations that the grantee provided fraudulent supporting documentation to HUD that consisted of participant food voucher receipts and bus voucher receipts. The USAO declined to prosecute the case after being presented the details in the case.</p>	Prosecution Declined
8/14/2015	<p>A referral from the FBI alleged that police officers from a local Illinois city police department were also employed by a Illinois Housing Authority (HA) and received income from the aforementioned entities for work they conducted concurrently. The investigation determined that these officers received income from the HA for periods of time that they were "on-duty" as police officers for the local city. One of the officers was charged and plead guilty to 1 count of Mail Fraud and was sentenced to 2 years' probation and ordered to pay \$111,000 back to the HA. A second officer entered into an Agreement to Defer Prosecution with the United State District Court and agreed to pay restitution in the amounts of \$6,052 to the HA, \$2,152 to an entity that incurred losses and \$534 to the local Illinois city police department.</p>	Successful Prosecution
3/2/2015	<p>A referral from a County District Attorney's Office, Public Integrity Unit, alleged the director of a local County Community Business Development Partners, conspired with a contractor to fraudulently obtain \$27,000 worth of grant money originating from CDBG funds. Through email correspondence, the director and contractor discussed creating a county contract with a General Contractor for providing Educational Seminars to disadvantages business entrepreneurs in the area. This contract was completed after seminars had taken place and was back dated to reflect the start of the seminars. Additional email correspondence from the director indicated that sub contracts involving the contractor, who received payments from this grant, were campaign contributions to the elected official. The director plead no contest and was sentenced to 1 year probation, 100 hours of community service and required to pay \$13,362.50 restitution payable to the county. The contractor was found guilty and was sentenced to 30 days probation and 100 hours of community service.</p>	Successful Prosecution

(b) (7)(C)

	9/18/2015	Information received from a U.S. Congressman's office alleged that the Department of Commerce and Economic Opportunity (DCEO) provided \$5 Million worth of HUD Community Development Block Grant (CDBG), Disaster Recovery (DR) Hurricane "Ike" funds to be made available to a governor's program which was administered by a violence prevention organization. These funds were alleged to have been used in a micro-loan program as a component of the governor's program. After further investigation, no evidence was found wherein CDBG-DR funds were used in the governor's program. HUD CDBG-DR funds were utilized in a separate micro loan program administered by the DCEO. Through several interviews of DCEO employees and by obtaining documentation of the DCEO micro loan program, no evidence could be found in support of CDBG-DR micro loan recipients being also recipients of NRI funds. This case was presented to the U.S. Attorney's Office and subsequently declined for prosecution.	Prosecution Declined
	1/21/2016	HUD OIG received information from another federal law enforcement agency alleging that HUD contracted realtors were receiving kickbacks and home flipping in regards to the sale of HUD and Bank real estate owned (REO) properties. It was further alleged that one of the realtors was utilizing a shell company to purchase REO properties. An investigation revealed the allegations to be substantiated on all accounts. In July 2012 one of the subject realtors entered into a civil settlement with the United States and agreed to pay \$340,000 in damages. In December 2015, the other subject in the investigation entered into a civil settlement with the United States and agreed to pay \$266,000.	Successful Prosecution
	2/12/2016	HUD OIG was referred the results of two audits conducted on a Michigan based lender. The audit results pointed to suspected FHA loan origination fraud involving two loan officers within the lender. HUD OIG conducted an investigation and found that many FHA insured loan binders contained fraudulent income and asset documents. Many of the loans also went into early default and eventual claim status. The investigative findings were presented for prosecution and a loan officer and loan processor were ultimately charged and sentenced. The loan officer was sentenced to 1 year incarceration, 5 years probation, and ordered to pay \$441,000 in restitution. The processor was sentenced to 5 years probation and ordered to jointly share in the restitution repayment.	Successful Prosecution
	11/9/2015	A referral from a another federal law enforcement entity alleged a bank employed loan officer was suspected of FHA insured loan origination fraud. Agents conducted a review of 49 mortgages that were suspected of containing fraudulent documents. Many of the FHA insured loans were found to contain fraudulent documents but there was insufficient evidence to show who actually altered the documents. The investigative findings were presented to both the United States Attorney's Office as well as local prosecutors but ultimately the case was declined for prosecution.	Prosecution Declined
	4/7/2015	HUD OIG received allegations from a housing manager that a Housing Choice Voucher (HCV) recipient was not accurately reporting her income. The housing manager reported that over a period of years she encountered and observed many situations that lead her to suspect many members of the HCV recipient's family are involved in fraud. It was further alleged that the HCV recipient and household members were also committing fraud against another government agency. The investigation determined that the HCV family had significant unreported income and two of the household member were charged criminally. One subject fled the United States after being charged and has yet to return. The other subject was sentenced to 5 years probation and ordered to pay \$127,000 in restitution.	Successful Prosecution

(b) (7)(C)

		A HUD monitoring review of an FHA approved lender revealed probable loan origination fraud on an FHA insured mortgage. An investigation by HUD OIG discovered an instance where documents used to originate the loan contained discrepancies and/or were verified by authorized individuals to be false. The file contained two different social security numbers (SSNs) for the borrower and fraudulent income and asset documentation. Further investigation determined a total of 4 subjects took part in the fraud scheme. All four subjects were sentenced to 1 year probation and ordered to jointly pay restitution in the amount of \$103,000.	Successful Prosecution
	2/16/2016		
		A referral from the HUD Director, Office of Public Housing, alleged that the Executive Director (ED) of a local Housing Authority (HA) and others misused HA funds for their personal gain. The investigation determined that the ED established a little league baseball team and funneled money through their account. He would require contractors to make donations to the baseball team in the form of kickbacks for receiving contracts. Additionally, investigation disclosed that the contractor and HA Grant Coordinator created and submitted false bids for construction projects in order to legitimize the contract bidding process. The allegations were substantiated and as a result of the investigation four individuals were sentenced in U.S. district court to 28 months of incarceration and a \$100,000.00 forfeiture; 24 months of probation with the United States Probation and Pretrial Services; 12 months of probation with the United States Probation and Pretrial Services; and Pre-Trial Diversion Agreement in Lieu of Prosecution for a period of twelve 12 months.	Successful Prosecution
	9/18/2015		
		A referral from the Louisiana State Office of Inspector General alleged that a HUD funded drug abuse facility was receiving duplicate payments from DHH and HUD. A Department of Health and Hospital audit (2006-2009) of the drug abuse treatment facility revealed that facility was double billing both DHH and HUD Programs. The investigation determined that the facility was receiving duplicate benefits from HUD and DHH which were to be used in the treatment of the clients. Additionally investigation disclosed that the Executive Director used a portion of these funds for her personal gain. The results of the investigations were presented to the U.S. Attorney's Office and prosecution was declined.	Prosecution Declined
	4/28/2015		
		A referral from the Louisiana Legislative Auditors Office alleged that the Executive Director (ED) of a local Housing Authority was stealing the tenant's monthly rental payments. The investigation determined that the ED instructed the tenants to pay in cash or money order. The ED instructed the tenant to leave the payee line blank if they were paying with a money order. The ED cashed these money orders and stole at least \$7,698 in tenants' monthly rental payments. The ED was sentenced in the State Judicial Court to 48 months of probation and ordered to pay \$1000 in fines, \$3757 in fees, and \$7769 in restitution.	Successful Prosecution
	1/29/2016		
		A referral from the FBI alleged that two employees of a local HUD funded Outreach Center (OC), created false documents to reflect individuals had completed court ordered community service by working for the (OC). The investigation determined that local businessman was submitting defendant's names who had been sentenced by the local courts to community service. The two employees created documents using the OC letterhead and reflected completion of court ordered community service. The investigation also disclosed that the two employees received monetary compensation for creating the false certifications. Furthermore several individuals submitted these certifications to the local courts knowing they were false. The two employees were sentenced in U.S. district court and received 24 months of probation, and 200 hours of community service.	Successful Prosecution
	12/22/2015		

(b) (7)(C)

		<p>A referral from the Hotline alleged that the complainant's ex-husband's wife who is a realtor was providing advance HUD foreclosed property bid information to one particular investor. Allegedly the investor and the complainant's ex-husband would rehab the properties then sell them for a profit. Furthermore it was discovered that the complainant and ex-husband were undergoing court proceeding with regards to their property settlement. The investigation did not link the realtor or investor to any criminal wrongdoing, nor has HUD sustained a loss in anyway. The results of the investigation were discussed with the US Attorney's Office (b) (5) they declined prosecution.</p>	
	9/21/2015		Prosecution Declined
	9/21/2015	<p>A referral from an anonymous complainant alleged that a Boarding Home (BH), Recreation and Rehab Training Facility received approximately \$500,000 via a HOME program grant, a program funded by the HUD. This grant was awarded to develop a 98 unit homeowner subdivision. It's alleged that unknown individuals may have submitted documents in an attempt to change the subdivision from public to private thereby violating the stipulations of the grant. Investigation determined that the BH drew down \$420,833.15 of the \$500,000. This money could be used for the purchase of the land or other limited activities such as architectural drawings, environmental studies or infrastructure assessments. A review of the paperwork obtained from the Board of Directors of LBH, the local parish government, HUD and the physical inspection of the property, revealed an equal correlation between the amount of money drawn down and the current construction in the subdivision. The investigation did not substantiate the allegations therefore the investigation was closed.</p>	Allegation Not Substantiated
	1/4/2016	<p>HUD OIG received information from the United States Attorney's Office, Middle District of Louisiana that a qui tam complaint had been filed on behalf of two undocumented workers who were instructed by an employee of a Nationwide construction company, to obtain fraudulent identities through the use of false names and Social Security Numbers provided by the employee. They were also told they would have to pay the employee \$2 for every hour they worked. The results of the investigation were presented to the U.S. Attorney's Office and they declined prosecution. The case was referred to the HUD OIG Joint Civil Fraud Section.</p>	Closed by Referral
	11/3/2015	<p>The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG) received information that an individual used Community Development Block Grant (CDBG) funds to close a ditch on his property. In addition, the complainant thinks the mayor was aware of the illegal activities. The investigation revealed the allegations could not be substantiated; therefore, the investigation was closed.</p>	Allegation Not Substantiated
	8/11/2015	<p>The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), received information from a local housing authority that a Housing Choice Voucher Program landlord was residing with their tenant. The investigation revealed the landlord and tenant were residing together, falsified HUD documents, and fraudulently received housing benefits. The landlord and tenant were arrested and entered into a pretrial diversion program for six months. The landlord and tenant were ordered to pay restitution to the housing authority in the amount of \$3,171.00.</p>	Successful Prosecution



(b) (7)(C)

	3/30/2016	The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG) received information from DEA officials concerning an investigation involving a Section 8 landlord. It was alleged the Section 8 landlord was purchasing property with narcotics proceeds and renting property under HUD's Housing Choice Voucher Program. The HUD OIG office provided assistance and information to the DEA and administratively closed this investigation.	Administratively Closed
	1/11/2016	A written referral was received which alleged that a CDBG grant recipient received funds to which she was not entitled based on a false document submitted. The document submitted was a utility bill indicating the recipient resided in the home when she actually had not. The investigation determined the recipient provided a false document to the state entity which administered the HUD funds to ensure her continued eligibility for the program. As a result of the investigation, the subject was charged and pled guilty in U.S. District Court. The subject was sentenced to 36 months probation, a \$100 special assessment, and \$97,969.22 in restitution.	Successful Prosecution
	3/18/2015	A referral from a state entity receiving federal funds alleged that a grant recipient provided false and fraudulent information in an application to obtain disaster assistance relief, specifically concerning his primary residence. The investigation determined that at the time of Hurricane Katrina, the grant recipient did not reside in the property that was claimed on the application for disaster assistance. Additionally, a renter, who was residing in the subject property was identified. As a result of this fraudulent application, the grant recipient was given a grant award of \$105,000 and an elevation grant of \$29,055. The recipient received pre-trial diversion in U.S. District Court and was ordered to pay \$135,000 in restitution.	Successful Prosecution
	6/2/2015	A referral from a private investigator working for a local contracting firm alleged that another local contractor, who served as a foreman on the rebuild of a HUD-funded housing development, was soliciting bribes from sub-contractors working on the site. After multiple interviews, document reviews and other investigative work, the allegations could not be substantiated and the U.S. Attorney declined prosecution.	Prosecution Declined
	6/2/2015	A referral from a tenant living in an FHA-financed home, provided information that she was receiving default letters from Bank of America. She also provided that the name on the default letters was that of her landlord. The tenant also indicated that she was aware that her landlord had obtained an FHA-insured Section 203 loan, which requires owner occupancy. The investigation revealed that the owner did not occupy the property, but there was however, no loss to HUD. The U.S. Attorney's Office declined prosecution.	Prosecution Declined
	6/2/2015	A referral from the Director of the Housing Choice Voucher Program for a local housing authority provided information that alleged that a tenant was not properly reporting her household composition and income. Information obtained indicated that there was an additional individual living with the tenant. It was further discovered that the individual was disabled and receiving disability assistance, but that assistance was not being reported to the housing authority. (b) (5)	Administratively Closed

(b) (7)(C)

	12/3/2015	A referral from an individual alleged that an employee of an agency contracted by the state to administer HUD funds embezzled money from a HUD funded program grant recipient. The investigation disclosed the employee of the agency contracted to administer the funds did receive money from the complainant. The individual was arrested based on a warrant issued by the municipal court. The defense attorney had the subpoena quashed based on a typographical error. The district attorney's office appealed the decision by the court, but it was never ruled on for several years. Based on the warrant being quashed and no ruling on the appeal, it was decided the case would be closed due to its age and lack of activity. If the appeal is later to be ruled on in favor of the district attorney's office, the case may be reopened.	Prosecution Declined
	4/10/2015	A referral from a U.S. Attorney's Office alleged that an employee of a housing authority may have been receiving kickbacks to assist with awarding no-bid contracts to a specific contractor. The investigation was unable to determine this allegation occurred. Additionally, the investigation was initiated based on a similar investigation of the contractor of the housing authority by other federal law enforcement agencies. The contractor was charged based on activities unrelated to the contracts with the housing authority. There was no nexus for a HUD OIG investigation and the case was closed.	Allegation Not Substantiated
	3/17/2016	A referral from a housing authority alleged that a Housing Choice Voucher Program tenant and the landlord provided false statements on their HCVP documents to continue eligibility. The investigation determined several discrepancies in communication between the housing authority and the landlord. These discrepancies prevented a prosecution of the landlord. Additionally, investigation disclosed the potential tenant loss was approximately \$4,200. (b) (5) the case was declined for prosecution. Additionally, the HCVP file has a letter from the housing authority to the tenant notifying the tenant of the violation and termination of assistance.	Prosecution Declined
	12/3/2015	An investigation was generated by a state attorney general's office that uncovered potential contractor fraud issues in dealing with an apartment complex. Preliminary investigation revealed that the owner and operator of a construction company was paid approximately \$1.9 million dollars on a \$2 million contract to repair the apartment complex. HUD Multi Family indicated that the apartment complex management had not provided any documentation regarding their insurance proceeds that were paid in response to damage from Hurricane Katrina. The apartment complex currently remains in a state of complete disrepair. As a result of the investigation, the owner/operator was sentenced to probation in state court and ordered to pay restitution not to exceed \$15,000, 10 year suspended sentence with 1 year inactive probation.	Successful Prosecution
	12/2/2015	A referral from HUD's Departmental Enforcement Center alleged that an Executive Director of a Housing Authority misused the Housing Authority's fuel credit card and did not deposit cash rent collected from Housing Authority tenants. The investigation determined that the Executive Director stole approximately \$16,345 in cash rent payments from various Housing Authority tenants and improperly used three fuel cards resulting in approximately \$6,944.73 in personal fuel purchases. The Executive Director's theft caused a loss to HUD of approximately \$23,289.73. The Executive Director was sentenced in U.S. District Court to five years of probation and ordered to repay restitution in the amount of \$23,289.73.	Successful Prosecution

(b) (7)(C)

4/7/2015	<p>A referral from a local Housing Authority alleged that a HUD Employee made false statements on their application and during a pre-employment interview for a position with the Housing Authority. The investigation determined that the HUD Employee purposely failed to disclose a prior termination when applying for their job at HUD. The prior termination was not disclosed on the Federal Declaration of Employment, Electronic Questionnaires for Investigative Processing, during the Office of Personnel Management background investigation, and at during a pre-employment interview with HUD employees. The HUD Employee was not criminally charged (b) (7)(C)</p>	Employee Action
2/1/2016	<p>A referral from HUD OIG Audit alleged that a HUD Employee directed an FHA insured multi-family property owner to transfer 10% of their ownership to a particular management agent, as a limited partner, in order to receive FHA insurance on the property. The investigation revealed that the HUD Employee did not direct the property owner into transferring 10% of their ownership to a particular management agent in order to get HUD to underwrite. Instead, the HUD Employee, along with HUD's National Loan Committee, recommended that someone with additional experience be added into ownership, as the property owner did not have any prior experience, and did not recommend any company specifically. The lender and its employees came up with the concept to have the 10% ownership transferred in order to meet the recommendation. The findings of this investigation were referred to the U.S. District Court for criminal prosecutorial consideration and the case was declined.</p>	Prosecution Declined
11/19/2015	<p>A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged that a the owner of the lending company under review reported receiving complaints from several manufactured home dealers about odd invoices they were receiving from a former employee for a company that did not perform work during the construction phase. The investigation revealed that the former employee who was now the owner of a HUD Direct Endorsement lender and his business partner had set up an Identity of Interest (IOI) company and was submitting invoices for construction work and consulting services involving the installation and construction of manufactured homes that was not performed. The lender accepted a fee, kickback, or thing of value from the manufactured home dealer or manufacturer, which was not disclosed on the sales or purchase agreement. On the HUD-1 Settlement Statement (HUD-1), the IOI was identified as the interim construction provider and was paid to perform a service, which was itemized on the HUD-1 and not included on the sales agreements. In each transaction, the Form HUD-92900-A failed to disclose the financial interest between the lender and the IOI. The owner of the lending company and his business partner were sentenced in U.S. District Court to 5 years of probation. The owner was ordered to pay restitution in the amount of \$3,358,272.94 and his business partner was ordered to pay restitution in the amount of \$1,339,533.34.</p>	Successful Prosecution
9/2/2015	<p>A referral from a former Housing Authority employee alleged that their former employer may have participated in unauthorized procurement activities when awarding management contracts to an Instrumentality of the Housing Authority. The matter was referred back to the program area for a review of the Housing Authority's procurement policy and procedures. The procurement review determined that the Housing Authority did violate federal procurement regulations set forth in 24 CFR 85.36, when awarding management contracts to the Instrumentality of the Housing Authority. The investigation determined that although the Housing Authority violated statutes, regulations, the Annual Contributions Contract, and other HUD regulations the matter was administrative and not criminal. The findings of this investigation were presented to the U. S. Attorney's Office and declined for prosecution.</p>	Allegation Not Substantiated

(b) (7)(C)

	1/22/2016	<p>This investigation was initiated based on a national effort to match individuals who simultaneously received Housing Choice Voucher (HCV) benefits and FHA insurance. Specifically, it was reported that a former HCV program recipient at a local Housing Authority (HA) obtained an FHA insured mortgage while on the HCV program. After obtaining a FHA insured mortgage on March 30, 2007, the borrower continued to receive HCV benefits through April 30, 2008. The investigation also revealed that from January 2005 through March 2007, the borrower failed to report her daycare income on housing certifications and obtained \$6,141 in housing assistance that she was not entitled to receive. Additionally, the borrower's landlord failed to report the vacancy of his rental property after the borrower moved out. The landlord obtained approximately \$10,801 in rental payments that he was not entitled to receive. On August 10, 2011, the landlord made a restitution payment of \$10,801 to the HA resulting in his indictment being conditionally dismissed. (b) (7)(C), the District Attorney's Office decided to cancel the pending trial scheduled for (b) (7)(C) and dismiss the borrower's theft charges (b) (5)</p>	Repayment in Lieu of Prosecution
	4/13/2015	<p>This investigation was initiated based on an individual's admission that she participated in a fraudulent down payment scheme with a mortgage broker and an escrow agent. The investigation determined that the individuals were involved in a scheme in which they falsely represented that mortgage loan down payment funds were "gifts" from relatives of straw-buyers. The down payments were actually coming from one of the individuals involved who claimed to be an unrelated third party that was known to the others. After closing, a kickback was provided from a portion of the seller's proceeds to the parties involved in the conspiracy. The kickback was not disclosed on the settlement statement. The straw-borrowers never intended to occupy the properties. The mortgage broker was charged on one count information for Conspiracy to Commit Money Laundering, 18 USC 1957 and later sentenced in U.S. District Court to 8 months confinement and ordered to pay joint restitution of \$289,696.79 to the Federal Housing Administration on April 25, 2013. The escrow agent was arrested based on a criminal complaint for violation of Mail Fraud, 18 USC 1341 and was later indicted for Conspiracy to Commit Money Laundering, 18 USC 1956. The escrow agent was sentenced in U.S. District Court to 33 months confinement and ordered to pay joint restitution of \$791,782.89 on December 17, 2014.</p>	Successful Prosecution

(b) (7)(C)

8/12/2015	<p>This investigation was initiated based on an allegation from the (b) Department of Savings and Loans regarding potential fraudulent actions on loan modifications by a real estate company. Specifically, the owner of a foreclosure rescue business knowingly and intentionally defrauded the U.S Department of Housing and Urban Development and the Federal Housing Finance Agency by providing false information regarding borrower's income, employment, and occupancy status during the application for loan modifications with the borrowers' mortgage lenders. Additionally, it was alleged that the owner moved renters into certain properties, received rental payments and never forwarded the rental income to the borrowers or lenders involved. The investigation revealed that the subject provided assistance to homeowners with mortgage loan modification programs, including the Home Affordable Modification Program ("HAMP") in (b) (7)(C) to obtain an extension and renewal and in the process, falsified documents, including a Statement of Hardship Letters, a Monthly Income Expense Worksheets, and a Making Home Affordable Program Request for Modification and Affidavits. (b) (7)(C) the owner of the foreclosure rescue business pled guilty to a one count- bill of information charging him with false statements against the U.S. Department of Housing and Urban Development and Federal Housing Administration, a violation of Title 18 USC 1010, in U.S. District Court, (b) (7)(C) and was later sentenced to 2 years in prison and ordered to pay \$997,712.77 in restitution.</p>	Successful Prosecution
1/28/2016	<p>This investigation was initiated based on anonymous letters received by HUD regarding several associated apartment complexes. It is alleged that the property managers falsified checks and forged Section 8 checks into their own personal bank accounts. Additionally, it was alleged that the property managers purchased personal items and paid their rent directly from company accounts that receive HUD funds. The anonymous letters received were composed in a similar manner and contained information that appeared to be transposed from one letter to the other. The style of writing suggests that the same individual was responsible for the anonymous letters that were received by mail with no return address. The alleged victim of the theft and fraud was contacted but they refused to be interviewed and referred the reporting agent to one of their property management company. The property management company was not aware of any theft or fraud allegations by any of their property managers. Numerous interviews were conducted with Section 8 tenants in order to determine if any of their portion of the rent was skimmed by management. Information obtained from the renters did not reveal any discrepancies or evidence suggesting that funds were diverted to any personal bank accounts. The findings of this investigation were referred to the U.S. Attorney's Office for prosecutorial consideration. (b) (5)</p> <p>he case was declined for prosecution.</p>	Prosecution Declined

(b) (7)(C)

		<p>This investigation was initiated based on a referral from Wells Fargo Bank regarding a \$35,778.26 unauthorized bank withdrawal from deceased Wells Fargo customer. In 2008, the customer applied for a Home Equity Conversion Mortgage (HECM) that was insured by HUD. The investigation revealed that Wells Fargo received an occupancy certification from the son of the borrower indicating that borrower still occupied the subject property and planned to list the house for sale. Based on this statement, Wells Fargo issued funds in the amount of \$35,778.26 by direct deposit into Chase Bank checking account in the name of the borrower. On September 24, 2014, Wells Fargo spoke to another son of the borrower who stated that the borrower had passed away. Wells Fargo requested a copy of the death certificate which was received on November 12, 2014 reflecting a date of death of May 23, 2014. At that time, Wells Fargo realized that the request for funds and approval occurred after the death of the borrower. The findings of this investigation were referred to the U.S. Attorney's Office for prosecutorial consideration. The case was declined (b) (5)</p>	
11/23/2015			Prosecution Declined
5/1/2015		<p>A referral from HUD alleged that board members of a local Housing Authority (HA) recently-terminated the Executive Director for forging the signature of a board member on an HA check in order to steal \$1,451.82. Other embezzlements of HA funds, in the form of unauthorized Wal-Mart purchases, were also alleged against the Executive Director. The investigation substantiated the original allegations and the case was presented to the corresponding U.S. Attorney's office. The case was transferred to multiple AUSA's and was eventually declined for prosecution (b) (5)</p>	Prosecution Declined
11/25/2015		<p>A referral from an Oklahoma District Attorney's Office alleged a (b) (7)(C) for embezzlement that occurred for several months in 2010 and 2011. The investigation discovered in excess of \$26,000 in questioned payments to the ED. The case was presented to the corresponding U.S. Attorney's office and accepted for prosecution. The ED entered into a pre-trial diversion agreement and has to pay back \$5,546 in restitution (b) (7)</p>	Repayment in Lieu of Prosecution
10/14/2015		<p>A referral from HUD's Oklahoma office alleged (b) (7)(C) embezzled in excess of \$11,000 in cash payments from her office. The city office accepted cash payments from its tenants and it was these payments that the employee failed to turn into the accounting office and instead kept for herself. The city hired an audit firm that found a total of \$18,295.42 was unaccounted for. The prosecution of the employee was handled through the local District Attorney's office and the employee subsequently pled guilty. For her plea, she received 60 months of probation and was ordered to pay a total of \$24,536.72 in fines and restitution.</p>	Successful Prosecution
4/10/2015		<p>Allegations were received from the HUD Office of Native American programs (ONAP) concerning misuse of HUD funding, bid rigging, and conflicts of interest by management of an Indian housing authority. The complaint originally came into the ONAP office from the HUD OIG hotline. The investigation reviewed contract files, invoices and the HA bidding processes. The investigation found no evidence of criminal wrongdoing but did find evidence of policy violations. A referral to Audit was made concerning the tribal housing authority.</p>	Allegation Not Substantiated

(b) (7)(C)

(b) (7)(C)

12/8/2015	A review of social security numbers indicated that a (b) area mortgage company was generating fraudulent FHA Loans. Many loans have been initiated through this mortgage company utilizing false social security numbers for illegal aliens. Many of the loans identified with false SSN's are defaulting or have defaulted. There were 30 borrowers indicted for providing fraudulent information to obtain FHA loans. There were 17 borrowers sentenced and a real estate agent charged civilly and ordered to pay \$309,000 in restitution.	Successful Prosecution
4/22/2015	The owner of 4 multifamily properties alleged that the former management company for his complexes stole funds. The loans on these properties are insured by USDA and two of the complexes receive 100% Section 8 rental subsidy from HUD. The investigation determined that the former management agent stole over \$170,000. The management agent was indicted, pled guilty, and sentenced to 24 months incarceration, 36 months probation, and \$172, 273.	Successful Prosecution
10/13/2015	A referral from a Texas Housing Authority alleged that two housing choice voucher tenants failed to accurately report income. It was alleged that one individual is a (b) (7)(C) and the other tenant (b) (7)(C). (b) (7)(C) Assistant United States Attorney accepted both cases against these individuals. The investigation was administratively closed and reopened as separate cases for each defendant.	Administratively Closed
7/15/2015	A referral from HUD's Office of General Counsel alleged that a HUD employee has several inappropriate web postings, one of which has threatening language and two others that referenced what appears to be a HUD email address. Allegedly, the individual also references information about a FHA insured multifamily application that was denied by HUD in these posting. The investigation revealed several inappropriate web postings, one in which the HUD employee made threats of physical violence. The findings of the investigation were forwarded to HUD's program staff for possible administrative actions. The HUD employee was placed on administrative leave and was evaluated and cleared by the HHS Federal Occupational Health.	Employee Action
1/12/2016	A referral from the Social Security Administration OIG (SSA OIG) alleged that a housing choice voucher recipient was accused of withholding her income earned from both SSA and HUD to receive benefits she would have not otherwise been entitled too. The investigation determined that the tenant withheld her income by working under the name and social security number of a stolen identity. The findings of this investigation were presented to the U.S. Attorney's Office, (b) (7)(C) for prosecutorial consideration. On December 2, 2014, the tenant was indicted in (b) (7)(C) on two counts of Theft of Government Funds (18 USC 641), one count of Food Stamp Benefit Fraud (7 USC 2024), and one count of Aggravated Identity Theft (18 USC 1028A). The defendant pled and was sentenced to 36 months of probation and ordered to pay restitution totaling \$57,262 including \$22,877 to HUD.	Successful Prosecution
8/14/2015	A referral from the DHS-OIG alleged a housing choice voucher tenant received illegal-gotten gains and likely failed to accurately report her income to a Texas Housing Authority. Allegedly, the tenant and her husband have been extorting money from illegal aliens by posing as Homeland Security employees. The aliens are paying the extortion money in order to not be deported. The investigation determined that the tenant failed to accurately report these funds to the HA causing an overpayment of \$8,670 in housing subsidy. Ultimately, the suspect agreed to plead guilty to charges related to the extortion of illegal aliens and the United States Attorney's Office declined prosecution (b) (5)	Prosecution Declined

(b) (7)(C)

3/17/2016	A referral from the (b) (7) Police Department alleged that an individual was controlling foreclosed properties that he did not own and subsequently renting out the homes. The investigation revealed that the individual or an associate is breaking into the empty properties, changing the locks, and doing slight upgrades to the home if needed. The individual is then finding tenants to sign fraudulent rental contracts and renting these properties while providing a down payment of \$1,500. The monthly rental payments range from \$500 to \$700 monthly. Approximately 50 properties were identified with 10 of these properties being HUD Real Estate Owned homes. (b) (7)(C) declined prosecution on the mortgage fraud portion of the case.	Prosecution Declined
1/22/2016	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division alleged that FHA borrower's committed possible income, social security number (SSN), and identity misrepresentation while attempting a loan modification on an FHA insured loan. The investigation determined that the borrower submitted falsified employment documents that contained incorrect income calculations, an incorrect employer name and falsified bank statements. As a result HUD sustained a loss of \$20,565. The FHA borrower was indicted (b) (7)(C) on two felony counts of a false statement to obtain property or credit greater than \$20,000 but less than \$100,000. The FHA borrower indicted subsequently committed suicide on (b) (7)(C)	Administratively Closed
5/11/2015	During the course of a separate mortgage fraud investigation, information was uncovered indicating possible mortgage fraud by a real estate company in Northwest Arkansas. The investigation revealed that three different real estate agents employed with this company fabricated verifications of employment, supporting payroll records, and other documents in order to assist borrowers in qualifying for FHA-insured mortgage loans that they were not otherwise qualified to receive. Additionally, several of the aforementioned borrowers were unable to make their mortgage payments, which resulted in HUD paying claims to various lenders. These three real estate agents were indicted in federal court for false statement to a financial institution. One of these individuals died prior to the final disposition of the case. The other two defendants pled guilty and were subsequently sentenced to either probation or imprisonment. The court ordered a total of \$271,198 to HUD.	Successful Prosecution
8/11/2015	An anonymous Hotline complaint alleged the former Executive Director (ED) of an Arkansas Housing Authority was misusing and committing fraudulent activities with HA funds. The investigation determined the HA Board allowed the ED complete control of the HA funds, provided very limited oversight and did not encourage checks and balances. (b) (5) the United States Attorney's Office declined criminal prosecution.	Prosecution Declined
12/18/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged a conspiracy to structure the fraudulent funding of a \$266,091 FHA mortgage. The investigation determined the son of the original property owner entered into an agreement to sell the home to a FHA borrower, although the son did not have legal authority to do so. Ultimately, the father filed a lawsuit against the title company that was subsequently found liable and the court ordered the owner to be made whole. The title company brought suit against the son, but later dropped the suit. The United States Attorney's office declined criminal prosecution (b) (7)(C)	Prosecution Declined



(b) (7)(C)

	4/3/2015	<p>An allegation was received from a city government, regarding a non-profit organization that received HUD's Homelessness Prevention and Rapid Re-Housing Program (HPRP) grant through the reporting city government. The Director of non-profit was allegedly involved in a payroll fraud scheme in which false timesheets were submitted. The investigation revealed the city government severed business relationships with the non-profit organization, and allocated the remaining HPRP funds to another recipient. The investigation also revealed a minimal dollar loss to HUD. The investigation was declined prosecution of (b) (5) [redacted]. The investigation was administratively closed.</p>	Prosecution Declined
	6/8/2015	<p>A housing authority advised that its city-appointed resident housing commissioner allegedly housed an unauthorized individual, her husband, and failed to disclose all income sources for the past 15 years. The investigation corroborated the allegations. The commissioner was found guilty of one count of 18 U.S.C. Section 641, Theft of Government Funds, and one count of 42 U.S.C. Section 1383a(3)(A), Supplemental Security Income Fraud. The commissioner was imprisoned for a total term of 6 months, and ordered to pay \$115,000.00 in restitution, of which \$96,600.00 goes to HUD and \$18,400.00 goes to SSA. Further, the commissioner was suspended by HUD's Departmental Enforcement Center, and thereafter, debarred and excluded from procurement and non-procurement transactions with HUD and throughout the executive branch of the federal government.</p>	Successful Prosecution
	8/13/2015	<p>A District Attorney's Office referred an individual for investigation. The individual was allegedly a Housing Choice Voucher Program (HCVP) participant who was involved in an identity theft case previously investigated by a local police department. The allegation was that the individual failed to disclose all sources of income to the local housing authority. The investigation revealed the individual was in fact a HCVP recipient, but there was insufficient evidence to prove that the individual intended to committed fraud. The investigation was administratively closed.</p>	Allegation Not Substantiated
	9/22/2015	<p>This investigation was initiated based on a complaint received from a former housing authority employee. The former employee alleged current housing authority maintenance employees were taking old appliances and scrap metal from abandoned public housing units scheduled for rehabilitation and selling them to local recycling centers for personal gain. During this investigation, witnesses were interviewed and files and documents were reviewed. The investigation disclosed one employee had approximately 116 metal sale transactions identified with the states metal registration program. The second employee had no recorded transactions. The investigation was unable to prove the scrap metal sold was property of the housing authority, as the metal sold did not have any markings or identifying information. The employee earned approximately \$800 from the total sale of scrap metal. The findings of the investigation were discussed with the local district attorney's office for prosecutorial determination. The loss of \$800 is a misdemeanor offense and lacked prosecution interest. The employee was terminated by the housing authority and the investigation was administratively closed.</p>	Administratively Closed

(b) (7)(C)

	9/23/2015	<p>This investigation was initiated based on a referral from a housing authority that received a complaint from the former girlfriend of a housing authority employee employed with a different housing authority as a housing inspector. The complainant alleged her former boyfriend, the housing authority inspector, was subleasing his niece's apartment, who is a tenant with the referring housing authority. The investigation disclosed the inspector was living in the apartment subsidized for his niece. The niece was interviewed and admitted she allowed her uncle, the inspector, to live in her apartment for approximately two months while she was living elsewhere. The inspector was interviewed and admitted he only lived at his niece's apartment for approximately one week. The loss to HUD was under the state jail felony amount of \$1,500. The inspector was subsequently terminated from his position with his employing housing authority. The niece was terminated from the housing program with the referring housing authority. This investigation was administratively closed as it did not meet the requirement for felony prosecution and lacked prosecution interest.</p>	Administratively Closed
	7/14/2015	<p>This investigation was initiated based on a request for assistance from the U.S. Department of Homeland Security, Immigration and Customs Enforcement-Homeland Security Investigations (DHS-ICE-HSI). DHS-ICE-HSI was investigating a large scale counterfeit check ring operating out of the HUD public housing units of three area housing authorities. The people involved in the counterfeit check ring were several current housing participants and unauthorized tenants living in subsidized housing. The investigation disclosed the leader of the counterfeit check operation was an unauthorized tenant alternating his residence with two different women; who were current public housing tenants. The unauthorized tenant maintained counterfeiting materials and equipment at both public housing units where he would create and print counterfeit checks. Other public housing tenants were recruited to cash the counterfeit checks. During this investigation federal search warrants and federal and state arrest warrants were served at multiple public housing locations. Several subject interviews were also conducted. Seven defendants, consisting of public housing tenants and unauthorized tenants, were subsequently indicted and pled guilty to Federal offenses of 18 USC 371: Conspiracy to Counterfeit Securities of Interstate Organizations or Businesses, 18 USC 513: Making and Possessing Counterfeit Securities, Making and Possessing Implements Designed for Counterfeit Securities, and 18 USC 922: Felon in Possession of a Firearm; and state offenses of Texas Penal Code 32.21: Forgery. The defendant's sentences ranged from 60 months of probation to 43 months incarceration and \$109,000 restitution. The investigation resulted in a successful prosecution and the investigation was subsequently closed.</p>	Successful Prosecution

(b) (7)(C)

		<p>This investigation was predicated by a referral from HUD OIG Region 7/8 regarding a Limited Denial of Participation (LDP) letter initiated by the Denver Home Ownership Center (HOC) regarding action taken against the purchaser of a HUD Real Estate Owned (REO) property. HUD excluded the purchaser from participating in any HUD program for his failure to honor contractual obligations and for making false certifications in connection with the purchase of the HUD REO property. The investigation disclosed the purchaser purchased a HUD REO property for approximately \$125,000 cash as an owner occupant. The purchaser was given priority as he reported he was a first time homebuyer and would be an owner occupant. The purchaser was required to reside at the HUD REO property and certify annually to HUD that he was living at the property and using it as his primary residence. The HUD HOC learned the purchaser rented the home out immediately after closing on the property. The HUD HOC conducted an administrative investigation and the purchaser admitted he was not living in or using the property as his primary residence. Criminal prosecution was declined by the United States Attorney's Office and the local district attorney's office as (b) (5) and (b) (5) and the case was administratively closed.</p>	
12/4/2015			Prosecution Declined
7/14/2015		<p>The Department of Homeland Security, Immigration and Customs Enforcement, Homeland Security Investigations, referred a complainant to HUD OIG that alleged to have information about a loan officer falsifying records to get FHA insured mortgages for borrowers who wouldn't otherwise qualify. The reporting agent contacted the complainant and scheduled an interview date to ascertain details about his allegation. The complainant cancelled and rescheduled previous appointments to meet in person. The complainant failed to communicate with HUD OIG to reschedule the interviews. The case administratively closed.</p>	Administratively Closed
11/2/2015		<p>A CPD grantee discovered that two of its employees were involved in a scheme that directed HUD grant funds to a non-existent homeless shelter and caused a loss of \$28,500 and reported the theft to HUD. The CPD grantee terminated both employees and reimbursed CPD for the loss. Investigation substantiated the allegation and identified the check cashing facility where the checks were cashed. The District Attorney's Office declined prosecution (b) (5)</p>	Prosecution Declined
5/4/2015		<p>A FHA REO purchaser contacted The Office of a US Senator for assistance in obtaining copies of documents related to a HUD OIG hotline complaint regarding the purchase of a REO property that misrepresented the items included in the sale of the property. The purchaser had previously contacted HUD OIG for the documents and was assigned two FOIA number. The purchaser made no allegations. The matter was referred to the HUD OIG Office of Legal Counsel who agreed to assist the purchaser in obtaining the requested documents. No further investigative activities were warranted.</p>	Administratively Closed

(b) (7)(C)

	11/23/2015	<p>A local police department alleged the tenants of an apartment complex engaged in criminal activity. The police department further alleged that the apartment management and tenants routinely violated housing policies. HUD/OIG referred the investigation of criminal activity by tenants back to the police department however HUD/OIG investigative efforts focused on the violation of housing policies by the apartment complex management. The investigation revealed that four tenants held a criminal history containing a conviction for the manufacture or delivery of a controlled substance and made a false statement in relation to that conviction on the Assisted Rental Application. The investigation indicated an apartment complex management employee completed the applications on the tenants' behalf and may have allowed tenants to skip others on the waiting list by adding an awaiting tenant to a current tenant's lease. A HUD Multifamily Division Director stated the manager would have been granted significant leeway in considering other factors, such as rehabilitation, before barring a convicted felon from admission to a multifamily project. Prosecution was declined by the US Attorney's Office.</p>	Prosecution Declined
	8/24/2015	<p>HUD OIG Office of Audit conducted a financial review of an apartment complex owner at the request of HUD Multi-Family. An investigation was initiated as a result of the findings from the audit report. The investigation focused on a large wire transfer of equity to a foreign bank account in violation of the regulatory agreement. A HUD employee misidentified the funds as "excess loan proceeds" and therefore available for distribution. The USAO (b) (5) [REDACTED]. The investigation was subsequently closed.</p>	Prosecution Declined
	7/24/2015	<p>The investigation was initiated based on a HUD OIG Hotline referral made by a former public housing participant. The complainant alleged that she had both a consensual and non-consensual sexual relationship with a police officer, working for the housing authority while she was residing in public housing. The officer was working as a security officer for the housing authority while he was off duty from the local police department. The complainant also alleged that the sexual activity occurred while the officer was on duty with the housing authority. The complainant alleged that many of the security officers were engaged in similar relationships with housing authority participants. The investigation was opened to determine if the officer committed time and attendance fraud by falsely reporting that he was working while he was spending time with the complainant; if the officer violated housing authority policy by engaging in a relationship with the complainant; and whether other officers were engaged in similar behavior. The investigation disclosed the officer did violate the housing authority's employee personnel policy by engaging in a relationship with a public housing participant while he was employed by the housing authority. When interviewed, the officer admitted he engaged in a relationship with the complainant and that he was aware that such relationship was a violation of the housing authority policy. However, investigation could not corroborate the complainant's allegations. The findings of this investigation were not referred to the U.S. Attorney's Office because the time and attendance fraud could not be substantiated. The findings were referred to the HUD DEC for administrative action but the referral was declined. The officer resigned from his position with the housing authority and the investigation was administratively closed.</p>	Administratively Closed

(b) (7)(C)

	1/20/2016	<p>A HUD employee alleged that their work products were compromised by some unknown person. Specifically, documents in their G drive folders were altered. While working, the employee observed their HUD issued computer being manipulated, apparently from a remote location. This caused the employee undue level of stress and hardship as they must review documents several times in order to ensure they are accurate. The employee believed their immediate supervisor may be responsible for some of the amendments. A forensic examination of the G drive files determined the allegation was unsubstantiated. The employee then alleged that their credentials may have been stolen by a coworker and used to alter the documents. An additional forensic examination determined the second allegation was also unsubstantiated. The supervisor was interviewed and denied making changes to the G drive files, other than the usual supervisory changes. The US Attorney's Office declined prosecution.</p>	
	3/28/2016	<p>A referral from the FBI provided information that alleged a local public housing authority (PHA) Section 8 tenant was required to pay housing authority officials \$1,300 to skip the Section 8 waiting list and obtain assistance. The investigation revealed that the PHA executive director and secretary conspired together in a payment for housing scheme, in which they solicited money from housing applicants in exchange for housing. The investigation also revealed that the two subjects conspired and caused the fraudulent disposition of Section 8 funds from the PHA, through a scheme involving the use of a fictitious landlord. The PHA executive director was sentenced in U.S. District Court to 57 months of incarceration, 3 years supervised release, and joint and severable restitution in the amount of \$14,497. The PHA secretary was sentenced to 46 months of incarceration, 3 years supervised release, and joint and severable restitution in the amount of \$14,497.</p>	Successful Prosecution
	5/13/2015	<p>This investigation was initiated based on Information provided by an official from a HUD Community Planning and Development (CPD) grantee, which alleged that a HUD employee demanded that the grantee organization house an ineligible homeless applicant, who was referred by the HUD employee. The investigation revealed that the allegation, in that HUD employee pressured or influenced the decision to house an ineligible applicant, was unfounded. Specifically, the investigation found no information and evidence to indicate that HUD employee had a relationship with applicant and/or had an agreement with the applicant to assist her in the referral or admission of housing at the grantee organization. The investigation was administratively closed.</p>	Allegation Not Substantiated
	9/30/2015	<p>A referral from the an Attorney General's Office provided information, which alleged that a HUD grantee may have double billed administrative expenses on a HUD counseling grant. The investigation corroborated the initial allegation that grantee organization double billed HUD related to costs incurred under a HUD Housing Counseling grant. However, the investigation found that while grant officials did not appropriately request the funds from HUD, the funds were not used for personal benefit. Specifically, since the grantee organization had not accounted for the HUD funds in their general ledger, they placed the HUD money in a bank CD. The findings of this investigation were referred to the HUD Office of Housing Counseling for administrative action on the grant.</p>	Referral to Program Staff/HUD

(b) (7)(C)

	4/13/2015	A local Public Housing Authority (PHA) provided information, which alleged that a Section 8 landlord obtained eviction judgments from local courts against former tenants based on false information regarding housing payments made by the PHA. The investigation corroborated the allegation in that the landlord provided false information to local judges in an effort to obtain a judgment against the former tenants. The findings of this investigation were referred to the District Attorney's Office for prosecutorial consideration. The District Attorney's Office declined prosecution based on insufficient evidence.	Prosecution Declined
	6/15/2015	This investigation was initiated based on a referral from a local Public Housing Authority (PHA), which alleged that several Section 8 housing assistance tenants had failed to report their income to the PHA causing overpayments to be made. (b) (5) and the investigation was administratively closed.	Administratively Closed
	1/7/2016	This investigation was initiated based on a referral from a local Public Housing Authority (PHA), which alleged that several former PHA employees misused the PHA credit card for personal use. The investigation disclosed that all credit card charges had appropriate requisitions and receipts. The findings of this investigation were referred to the District Attorney's Office for prosecutorial consideration. The case was declined for prosecution (b) (5)	Prosecution Declined
	4/12/2016	This investigation was initiated based on a referral from the HUD Homeownership Center (HOC), regarding a Real Estate Owned (REO) home sold to owner occupant who flipped the property for profit. The investigation found that the owner purchased the REO property as an owner occupant, but flipped the property several months after purchase. The findings were presented to the District Attorney's Office for prosecutorial review. The District Attorney's Office declined prosecution (b) (5) he findings of this investigation were referred to HUD for consideration for action pursuant to the Program Fraud Civil Remedies Act (PFCRA). The PFCRA action was declined. The investigation was closed administratively.	Administratively Closed
	2/29/2016	A referral from the FBI alleged that a former city manager, who managed a Section 8 property, engaged in a scheme to embezzle lease payments made by Section 8 participants. The investigation disclosed that the allegation was unfounded. The findings were presented to the District Attorney's Office for prosecutorial review. The District Attorney's Office declined prosecution.	Allegation Not Substantiated

(b) (7)(C)

	6/12/2015	<p>HUD OIG was advised of the existence of an ongoing investigation by the District Attorney's Office (DAO) and Federal Bureau of Investigation (FBI), relating to a housing authority. The DAO/FBI relayed (b) Deputy Constables from various area precincts were under investigation for working housing authority security assignments while they were on duty with their respective agency. One of the Deputy Constables under investigation was also the housing authority Fraud Investigator, who was also under investigation for filing a false police report. Due to the late stage of the investigation, HUD OIG assisted the DAO/FBI in obtaining relevant documents from the housing authority. During the investigation, the housing authority informed HUD OIG the Fraud Investigator was terminated due to making a false statement while attempting to withdraw funds from his housing authority pension by stating he was a first time home buyer, which is one of the qualifications for withdrawal. HUD OIG focused investigative efforts on this allegation which determined the Fraud Investigator submitted pension withdrawal requests in 2009 and 2013 by stating he was a first time home buyer. Further investigation determined the Fraud Investigator had previously purchased four homes from 1976 to 2009. In relation to the fraudulent pension withdrawal request and filing of a false police report, the Fraud Investigator was sentenced to 2 years in jail (all but 15-60 days suspended dependent upon the amount of restitution paid within 30 days), 5 years probation, 120 hours community service, and agreed to permanently surrender his police officer's license. He was also ordered to pay \$12,670.60 in restitution to the housing authority. Three Deputy Constables received sentences ranging from deferred adjudication to two years probation in relation to working security for the housing authority while on-duty. Additionally, four Deputy Constables received sentences ranging from deferred adjudication to one year of probation for working paid off-duty housing authority security assignments while a Reserve Peace Officer, which is not permitted.</p>	Successful Prosecution
	1/4/2016	<p>A referral from HUD, Houston Field Office, regarding an independent audit of housing authority initiated an investigation to determine if any criminal violations occurred. The audit findings indicated approximately \$597,067 in questioned costs from September 2010 to May 2014 relating to a general lack of internal controls, issues with general ledger accounting, procurement, resident files, enforcement of admission and eviction policy, and IRS compliance. A review of the questioned costs identified a large portion of the amount was related to procurement and employee expenditures/reimbursements that occurred with the knowledge and approval of the housing authority Board. One allegation presented in the audit was a former housing authority employee purchased and was reimbursed for 44 patio doors for a 40 unit property. Investigation disclosed the employee purchased 36 patio doors and was reimbursed by the housing authority for 36 patio doors. The investigation indicated the employee purchased the patio doors/related materials using discounts and /or tax exempt status to retain the difference of approximately \$1,150. Prosecution was declined by the US Attorney's Office and this matter was referred to the HUD OIG Office of Audit.</p>	Prosecution Declined

(b) (7)(C)

	7/15/2015	<p>A state agency alleged that a non-profit organization submitted a draw request for work that was not completed and engaged in a conflict of interest regarding a contract. The conflict of interest allegation presented by the state agency was not reviewed due to the state agency receiving full reimbursement from the non-profit when the costs were questioned. The state agency alleged that the non-profit submitted a draw request for final HVAC work on three properties. An inspection by the state agency disclosed the HVAC condenser units were not located at the properties. The non-profit subsequently relayed the condenser units were held by the HVAC contractor due to the threat of theft. Investigation by HUD OIG determined the HVAC contractor had not been paid by the non-profit for previous HVAC services on the above mentioned properties. The non-profit requested the HVAC contractor set the HVAC condenser units and send photos of them in place. The HVAC contractor complied but removed and stored the condensers until payment was received for all of the work he completed on the properties. He also indicated on his invoices he was holding the condensers. One of the non-profit's employees was questioned concerning property inspection reports she completed, which stated the condenser units were installed. The employee admitted she was not present when the units were installed however she certified they were, because her husband, not a non-profit employee, was present. The state agency later informed HUD OIG all of the condensers were installed and the homes have since been sold to low-income homebuyers. (b) (5)</p> <p>_____ this case was administratively closed.</p>	Administratively Closed
	12/21/2015	<p>HUD OIG received a referral from a local housing authority alleging that a Section 8 landlord was living with his tenant. The investigative results corroborated the allegation. However, (b) (5)</p> <p>_____ the local district attorney's office declined prosecutorial interest and this matter was closed.</p>	Prosecution Declined
	11/24/2015	<p>A referral from the FBI and New Orleans Police Department was received alleging a landlord who received Small Rental Property Program (SRPP) assistance through the Louisiana Road Home Program (LRHP) violated the program by charging tenants more rent than allowed by the program. Additionally, it was alleged the landlord provided fraudulent documentation to LRHP/SRPP. Investigation determined that the landlord did in fact overcharge tenants and also provided fraudulent documentation to LRHP/SRPP. As a result, the landlord was sentenced in U.S. District Court to 36 months probation and ordered to pay restitution in the amount of \$158,700.00.</p>	Successful Prosecution
	3/30/2015	<p>(b) (7)(A)</p> <p>_____</p>	Administratively Closed
	12/3/2015	<p>A referral from Jefferson Parish Housing Authority was received alleging a Housing Choice Voucher (HCV) tenant was residing with her husband/landlord at a residence. The investigation determined the tenant and landlord were in fact married and residing together at the residence in question. Prosecution of the landlord was declined by the US Attorney, Eastern District of Louisiana. The tenant was sentenced in U.S. District court to 60 months probation, \$100.00 fine and ordered jointly and severally to pay restitution in the amount of \$72,951.00.</p>	Successful Prosecution



(b) (7)(C)

		<p>A referral from a local Housing Authority (HA) alleged landlords and tenants were committing fraud by not disclosing their family relationships. Specifically, the landlords were married to Section 8 tenants and they were cohabiting at the subsidized address claimed on recertification forms by the tenant. The investigation determined that several tenants and landlords knowingly and intentionally defrauded the HA and others by providing false information regarding their family relationship and household income. Additionally, the investigation determined that several other federal agencies including the U.S. Department of Agriculture, Texas Health and Human Service Commission and U.S. Department of Education received false information from these individuals. On March 23, 2015, a former tenant, agreed to a pre-trial diversion after months of negotiating regarding the false information she provided about her family and household composition to the HA and agreed to pay \$17,561 in restitution. On June 17, 2015, the former tenant was sentenced to 21 months in prison and ordered to pay \$76,494.00 in joint restitution. On October 16, 2015, the former tenant was sentenced to 6 months in prison and ordered to pay \$ 135,771.39 in joint restitution. On December 21, 2015, the former landlord, was sentenced to 8 months in prison, 6 months of home confinement and ordered to pay \$104,720 in joint restitution to the HA. Additionally, it was ordered that the defendant forfeit his home that was involved in the scheme.</p>	
	1/11/2016		Successful Prosecution
		<p>A referral from a LE agency alleged that a banking institution had reported possible identity theft on a Federal Housing Administration (FHA) insured loan for \$92,750.00 that was obtained by an individual who represented himself as the borrower. The investigation determined that the victim called the banking institution in order to report that he was unable to obtain a mortgage loan in because his credit report showed that he had already obtained a loan from another bank. The victim alleged that his personal information that included his Social Security card, Driver's License, and Birth Certificate were stolen from his truck and subsequently used to originate a fraudulent mortgage loan that he had no interest in. The status of the mortgage loan was active and no loss had been incurred by the lending institution at the time of the discovery of the identity theft. Since there was no loss to the FHA on the initial property, a thorough and extensive search was conducted in order to identify other FHA insured properties associated with the bank that were in a delinquent or foreclosed status. The research revealed numerous properties connected to one real estate agent. Several borrower interviews were conducted which revealed numerous inconsistencies with material information that was used to qualify the borrowers. The borrower's recollection of events during the origination of the mortgage loans did not reveal any direct evidence that the real estate agent was involved in the fraud scheme. The case was declined for prosecution (b) (5)</p>	
	11/27/2015		Prosecution Declined
		<p>This case was a spinoff of the Single Family Mortgage Fraud Initiative for Kansas and Missouri. HUD OIG received information that the subject, a real estate consultant, provided homebuyers with down payments in order to purchase houses that they were not otherwise qualified to purchase. The subject was sentenced in U.S. District Court to 60 months in prison, 36 months supervised release, and ordered to pay restitution in the amount of \$1.53 million.</p>	
	4/28/2015		Successful Prosecution

(b) (7)(C)

	12/3/2015	A referral from the HUD, Denver Homeownership Center, Quality Assurance Division, alleged the discovery of fraudulent borrower loan application items. The investigation revealed that the subject, a real estate agent, provided homebuyers with down payments and other false loan application items in order to purchase houses that they were not otherwise qualified to purchase. The subject was sentenced in U.S. District Court to 6-months incarceration, 60-months supervised release, and ordered to pay restitution in the amount of \$195,322.72.	Successful Prosecution
	10/1/2015	Allegations of theft and embezzlement were made against the former Executive Director of a public housing agency. The investigation revealed that the subject and her common law husband fraudulently obtained down payment assistance to purchase a residence in addition to misapplication of additional federal funds. The husband was sentenced in U.S. District Court to 24-months supervised release and ordered to pay restitution in the amount of \$4,000. The former Executive Director passed away after being indicted.	Successful Prosecution
	4/29/2015	A referral from HUD's Denver Homeownership Center, Quality Assurance Division, alleged that a borrower might have obtained an FHA-insured mortgage by fraudulent means. The investigation revealed that the owner of a loan processing firm and her father, a real estate investor, facilitated a fraudulent property flip through numerous false documents. The mortgage became delinquent and HUD paid claims totaling \$27,685.63 subsequent to foreclosure. Each was sentenced in U.S. District Court to two years of probation and were ordered to pay restitution in the amount of \$27,685.63.	Successful Prosecution
	6/24/2015	A law enforcement agency reported that an FHA-approved lender provided false statements to HUD in order to qualify for program approval. The investigation revealed that, in order to maintain its status as a loan correspondent for loans guaranteed by the FHA, the subject lender was required to maintain certain net worth balances that would be audited by a HUD-authorized private firm and submitted to HUD. In June 2008, co-conspirators caused false information concerning the lender's net worth to be provided to the auditor and caused the auditor's determination of adequate net worth to be submitted to HUD. Specifically, a short-term loan agreement was obtained in which the lender committed \$200,000 to be maintained in an account in the lender's name, but which could be accessed only by the lender. This agreement did not provide co-conspirators access to the \$200,000. As a result, these funds did not qualify as an allowable asset or capital. The auditor was unaware of this arrangement when it provided the lender with the verification of the supposed capital "contribution" to the lender by co-conspirators who caused the auditor's verification to be submitted to HUD. Approximately one month after notice of the additional net worth was submitted to HUD, the loan agreement expired and the \$200,000 was returned to the lender. The lender subsequently originated 1,539 FHA loans with a total principle loan amount of \$54,409,814 resulting in 331 foreclosures with a net loss to the FHA in excess of \$20 million. The loss should not have been incurred had the lender been removed from FHA participation. Three individuals were sentenced in U.S. District Court, as follows: 1) 24-months incarceration, 36-months supervised release and restitution in the amount of \$494,406; 2) 21-months incarceration, 36-months supervised release and restitution in the amount of \$497,000; and 3) 60-months probation and restitution in the amount of \$497,000.	Successful Prosecution
	11/5/2015	A borrower alleged that she was defrauded during the purchase of her home, which was financed with an FHA-insured mortgage. This matter was declined for prosecution by the U.S. Attorney's Office.	Prosecution Declined

(b) (7)(C)

	6/16/2015	A St. Louis, Missouri county prosecutor provided allegations that subjects were submitting false time sheets to a block grant organization. The investigation revealed that while employed with the organization, the subject made false statements to fraudulently obtain an FHA-insured mortgage loan in the amount of \$272,332, which subsequently went into foreclosure. Specifically, the subject admitted that the income on her 2007 and 2008 tax returns was false. The subject was sentenced in U.S. District Court to 5-months home confinement, 5-years probation and ordered to pay restitution in the amount of \$112,772.	Successful Prosecution
	4/28/2015	A public housing agency alleged that a Section 8 Landlord paid bribes to a housing authority employee, which resulted in removal from program participation. The landlord subsequently transferred properties to a straw entity in order to continue program participation. The investigation additionally revealed that the landlord stole the identities of program participants and others to file fraudulent tax returns, in part, to steal refunds. The subject was sentenced in U.S. District Court to 32-months incarceration, 36-months supervised release and ordered to pay restitution in the amount of \$84,630.	Successful Prosecution
	6/25/2015	This investigation was initiated based on a referral from the Santa Ana Homeownership Center. The information alleged that there were possible misrepresentations in the mortgage file, specifically, employment information. Fifty-one mortgage files from the same mortgage company were reviewed as a result of the initial allegation. Multiple issues were discovered during the review concerning the loan approval process, many of which were administrative. There were also issues noted with the documentation of down payment assistance. This investigation was presented to both the United States Attorney's Office and the local prosecutor's office. Both offices declined criminal prosecution.	Prosecution Declined
	8/14/2015	This case was a proactive multi-agency task force established to investigate mortgage fraud in the St. Louis, Missouri area. The investigation identified two individuals that fraudulently obtained FHA insured mortgage loans and were sentenced in U.S. District Court, as follows: 1) 24-months probation and restitution in the amount of \$318, 416; and 2) 24-months probation.	Successful Prosecution
	7/31/2015	A referral from HUD's Denver Homeownership Center, Quality Assurance Division, alleged that a borrower obtained a FHA loan using a false gift letter. The investigation revealed a scheme to defraud lenders by submitting false information on real estate loan applications. Most of the loans made as a result of the scheme went into default because the borrowers failed to make payments on the loans, resulting in more than \$2 million in losses to the U.S. and financial institutions. From at least 2007 until as late as September 2011, multiple subjects recruited various individuals to apply for conventional and FHA loans to purchase properties in the St. Louis area. They directed borrowers to supply false employment and income information on loan applications and caused false documents to be submitted in support of the loan applications, including pay stubs, W-2s, gift letters and verification of employment forms. Four subjects were sentenced in U.S. District Court, as follows: 1) 60-months probation and restitution in the amount of \$99,367; 2) 37-months incarceration, 60-months probation and restitution in the amount of \$2.4 million; 3) 14-months incarceration, 60-months probation and restitution in the amount of \$353,984; and 4) 14-months incarceration, 36-months probation and restitution in the amount of \$904,923.	Successful Prosecution
	4/29/2015	A public housing agency alleged Section 8 fraud through falsely reporting occupancy and income. The investigation revealed that the occupants failed to report income in order to receive approximately \$33,000 in housing assistance. The subjects were charged in state court; however, charges were dismissed after the subjects paid \$40,000 in restitution.	Repayment in Lieu of Prosecution

(b) (7)(C)

5/18/2015	<p>A referral from HUD's Denver Homeownership Center, Quality Assurance Division, alleged possible income and occupancy fraud to obtain a FHA-insured mortgage. The subject was a former branch owner and loan officer of a mortgage company in addition to owner and operator of a closing company, both located in St. Louis, Missouri. The investigation revealed that, while acting as a loan officer, the subject devised a scheme that allowed a \$249,000 FHA-insured mortgage to be funded by falsely reporting the "co-borrower's" information to make them the "primary borrower", unbeknownst to both the actual co-borrower and the primary borrower. To finance the loan, the subject manufactured paystubs, falsified a Verification of Employment to show current work history, and used his own money for the down payment. Once the loan closed, the "co-borrower" did not know she was considered the "primary borrower" until applying for a credit card and discovering the loan was 10 months delinquent. The said "primary borrower" was told at closing that mortgage payments would not have to be made for one year, so there was no expectation of payment. Additionally, also while acting as a loan officer, the subject manufactured a payoff letter for another property while attempting to complete a pre-foreclosure sale. The purchase price of the property was more than what the payoff letter indicated. The subject caused the proceeds of the payoff to be rerouted to the new buyer of the property. The subject benefited from the transaction by both brokers fees and invoices submitted to the title company. The subject was sentenced in U.S. District Court to one year and one day of incarceration, five years probation, and ordered to pay restitution in the amount of \$123,158.</p>	Successful Prosecution
3/19/2015	<p>This investigation was initiated based on a complaint that an appraisal for an FHA-insured property was inflated by \$50,000. FHA-insured loans appraised by this appraiser were reviewed and information pertaining to the value of the appraisal was reviewed. No outstanding discrepancies were revealed through the reviews. The allegations were unsubstantiated.</p>	Allegation Not Substantiated
3/3/2015	<p>This investigation was initiated based on a Hotline complaint that alleged (b) (7)(C) was steering contracts to a business that was owned by their family members. The investigation established that a business owned by family members of (b) (7)(C) was receiving contracts. Documents were reviewed and concluded that multiple companies, owned by family members, obtained government funds. The investigation was referred to the USAO for prosecution and was later declined for prosecution. The results were referred to the HUD program office for administrative action.</p>	Referral to Program Staff/HUD
3/26/2015	<p>This investigation was initiated based on a complaint that the holding company for a HUD multifamily property was refusing to release HUD Authorized Reserve Replenishment funds. The owner of the holding company had multiple HUD multifamily properties in multiple states. The owner had co-mingled the funds for each property and was using the money from one property to operate another property. The owner was prosecuted in a separate judicial district and (b) (5)</p>	Referral to Program Staff/HUD
3/26/2015	<p>This investigation was initiated based on a referral from a local police department alleging various contractors were using illegal immigrants to work on various construction projects, some of which were allegedly HUD-funded construction projects. The illegal immigrants were allegedly victims of a human trafficking ring. The investigation was presented to both local prosecutors and the US Attorney's Office. The subjects were prosecuted on non-HUD related projects by the local police department.</p>	Administratively Closed

(b) (7)(C)

11/6/2015	<p>This investigation was initiated based on a report from a local police department that the subjects were offering potential HUD-assisted residents placement in a rental unit or home for an upfront fee to their company. The victims had responded to ads placed on social websites pertaining to rental properties. The victims then met with one of the subjects and provided them with money, but were never provided with keys to the residence. The investigation was charged through local prosecution, with charges being dropped against two of the subjects. A third subject was charged and pled guilty.</p>	Successful Prosecution
6/12/2015	<p>This investigation was opened to address mortgage fraud in Colorado. Potential mortgage fraud targets were identified through a variety of sources, to include referrals from HUD Quality Assurance Division, financial institution reporting, referrals from federal, state, and local law enforcement, queries of various HUD databases, OIG Hotline complaints and complaints from real estate industry professionals. The investigation resulted in charges being filed against seven individuals. Six of these of individuals pled guilty to various charges and charges against one individual were dismissed. In addition to the guilty pleas, an indemnification agreement was executed in relation to a FHA-insured property and criminal restitution in the amount of \$687,984 was ordered payable to the Federal Housing Administration.</p>	Successful Prosecution
4/29/2015	<p>A law enforcement referral indicated that the subjects fraudulently conducted loan modification schemes on over 100 victims causing \$200,000 to \$300,000 worth of loss, not including the loss amount from the homes that actually foreclosed. The investigation revealed that the individuals presented themselves as loan modification specialists who stated they could reduce the victim's principal by 50 percent and lower their interest rate to 3 percent fixed. They told victims to stop all contact with their lender and, instead, pay them approximately \$420 per month while the loan was being modified. In reality, they kept the victims money and did nothing to modify the loan, which caused the lender to start the foreclosure process. Each subject was sentenced in U.S. District Court to 108-months incarceration, 60-months supervised release and ordered to pay restitution in excess of \$1 million each.</p>	Successful Prosecution
12/22/2015	<p>HUD OIG opened this case proactively as part of the Civil Fraud Pilot Program to work collaboratively with the Office of Audit and the U.S. Attorney's Office for the District of Colorado to target federal civil mortgage fraud in connection with Federal Housing Administration and Government National Mortgage Association programs. The investigation determined that a mortgage company knowingly originated and underwrote approximately 96 mortgage loans, insured by the U.S. Department of Housing and Urban Development's Federal Housing Administration that did not meet applicable requirements. A Civil Settlement was entered into wherein the mortgage company agreed to pay \$1,032,714.96.</p>	Repayment in Lieu of Prosecution
4/12/2015	<p>A referral from a Housing Authority alleged fraud and theft involving an Executive Director of a Housing Authority. Specifically, the Executive Director was not following procurement procedures for selecting contractors. Additional allegations claimed the Executive Director traveled to outside of the Housing Authority employment meetings in a Housing Authority owned vehicle. While some of the allegations were substantiated, the findings of the investigation were referred to the U.S. Attorney's Office after exhausting all investigative leads. The U.S. Attorney's Office declined the case b (b) (5)</p>	Prosecution Declined

(b) (7)(C)

3/25/2015	A law enforcement agency alleged that the on-site manager of a project-based housing facility in St. Louis, Missouri embezzled funds and prepared fictitious tax returns for tenants and housing authority employees. The investigation revealed that the on-site manager and co-conspirators stole numerous tenant identities and prepared false tax returns for the purpose of stealing refunds. It was further discovered that co-conspirators stole appliances and other items from the housing facility. Three individuals were sentenced in U.S. District Court, as follows: 1) 30-months of incarceration, 36-months of probation and ordered to pay restitution in the amount of \$16,000; 2) 1-year of incarceration, 36-months of probation and ordered to pay restitution in the amount of \$113,000; and 3) 2-years of incarceration, 36-months of probation and ordered to pay restitution in the amount of \$6,000.	Successful Prosecution
12/21/2015	This investigation was initiated based on information received from the FBI that there were multiple questionable payments made to officers at a housing authority. Many of the questionable payments were established to be travel expenses and others were documented as loans for record-keeping purposes. The investigation was presented to the United States Attorneys' Office and was later declined (b) (5)	Prosecution Declined
3/19/2015	This investigation was initiated based upon a complaint from a concerned citizen. It was alleged that the mother and her paramour were leasing a subsidized unit to their daughter and accepting a HAP payment each month, all in violation of the program rules. The investigation substantiated the allegations and the landlord and the tenants were charged and ordered to pay \$37,187.53 in restitution to the respective housing authority.	Successful Prosecution
10/26/2015	This investigation was initiated based on information from a housing authority regarding possible fraud in the Client Assistance Fund. The Client Assistance Fund is designed to help non-elderly disabled individuals with down payments, security deposits or other emergency type expenses. It was discovered that a person responsible for disbursements from the Client Assistance Fund was writing checks to addresses that were not involved with the housing authority. The subject of the investigation left their employment and it was revealed that there were approximately \$20,000 in disbursements which were made to the subject. (b) (5) no prosecutive interest by the local prosecutors. The case was administratively closed.	Administratively Closed
9/21/2015	This investigation was initiated based on a referral from a housing authority alleging that the former Executive Director (ED) committed theft of government funds/embezzlement by providing to herself multiple unauthorized pay increases as the ED. There were also allegations of forged signatures on documents. The investigation substantiated the allegations. The merits of the investigative efforts were presented to the United States Attorney's Office, (b) (7)(C) for possible criminal prosecution. The U.S. Attorney's Office declined prosecution on this matter.	Prosecution Declined
7/28/2015	A law enforcement agency alleged that a Housing Choice Voucher recipient in Warrenton, MO, failed to report income in order to receive a housing subsidy. The investigation revealed that the subject failed to report income earned from breeding Labrador retrievers and selling them for cash over the internet. Specifically, the subject fraudulently received \$49,000 in housing assistance in addition to other government benefits since 2005. The subject was sentenced in U.S. District Court to 60-months probation and ordered to pay restitution in the amount of \$96,698.	Successful Prosecution

(b) (7)(C)

4/28/2015	A complainant alleged that the Executive Director of a domestic violence shelter embezzled grant funds received from multiple federal and state sources. The investigation revealed theft and embezzlement via the shelter's credit card and checking account for personal items unrelated to the shelter. The subject was sentenced in U.S. District Court to 30-months incarceration, 36-months supervised release and ordered to pay restitution in the amount of \$433,688.17.	Successful Prosecution
4/29/2015	VA-OIG reported that the subject received numerous healthcare services and other benefits, based upon his claim to be a Vietnam veteran. Some of these benefits allegedly included HUD housing benefits for homeless veterans. The investigation revealed that the subject did not serve in the military and was incarcerated during majority of the service dates that he reported. The subject was indicted in U.S. District Court but died prior to judicial disposition.	Administratively Closed
7/6/2015	Allegations of theft and embezzlement were made against the former Executive Director of a public housing agency. The investigation revealed that the subject altered the agency's policy manual in an attempt to cash out tens of thousands of dollars of annual/sick leave upon retirement. The subject was sentenced in U.S. District Court to 12-months probation and 250 hours of community service.	Successful Prosecution
3/7/2016	Law enforcement sources provided information concerning false statements to purchase a residence with the assistance of HUD's Hope VI program. The investigation revealed that the subject obtained a HOPE VI loan to purchase a new construction home. The total home price was \$188,900, but the subject was only responsible for \$81,889 while the local housing authority was responsible for the remainder, via HUD funds. In 2008, the subject completed a Housing Choice Voucher (HCV) program application and reported that she did not own any real estate while she continued to own the aforementioned residence. On each of the subject's annual recertification's/applications for years 2008 to 2013, she falsely reported that she did not own any property or real estate when, in fact, she did. Accordingly, between November 2008 and July 2013, she received approximately \$34,287 in rental subsidies from the housing authority, which she was not entitled to receive. It was further revealed that the subject was subleasing the HCV unit while living in the residence. The subject was sentenced in U.S. District Court to 60-months probation and ordered to pay restitution in the amount of \$34,287.	Successful Prosecution
4/16/2015	HUD OIG was originally advised of a matter by the Colorado Division of Real Estate involving a group of individuals and entities allegedly defrauding HUD's Pre-foreclosure Sale program and Fannie Mae and Freddie Mac's short-sale programs, as well as HUD's Section 203b One-to-Four-Family Home Mortgage Insurance program through the acquisition and sale of distressed properties by utilizing Revocable Living Trusts. The investigation resulted in charges being filed against nine individuals. Seven of these of individuals pled guilty to various charges and charges were dismissed against the remaining two individuals. In addition to the guilty pleas, five individuals and four entities were referred to the Departmental Enforcement Center for possible debarment action.	Successful Prosecution

(b) (7)(C)

		HUD OIG received a referral from the HUD Department Enforcement Center alleging that the owner of an assisted living facility may have participated in equity skimming, unauthorized credit card usage, altered documents which were provided to HUD and had ineligible expenses paid with project funds. This case was investigated in conjunction with the Office of Audit. The investigation disclosed commingling of funds, ineligible expenses paid with Project funds, unknown card holders on Project credit cards, unauthorized credit card usage, altered documents, unauthorized management fees paid to a non-HUD approved management company in addition to other program violations. The subject agreed to a settlement with HUD for \$500,000 and also agreed to be debarred from participating in any procurement and non-procurement transactions with the Executive Branch of the Federal Government for a period of five years.	Repayment in Lieu of Prosecution
	9/21/2015		
		This investigation was initiated based on information that a technology company received a \$300,000 HUD-funded grant to open and operate a travel agency on an Indian reservation. Furthermore, the funds received as part of the grant were allegedly being misused by the owner of the company. Initial interviews in the investigation led investigators to believe the contract was obtained through false representations, however, through further investigation it was established that false statements were made by the initial witnesses. There was no evidence to verify the initial allegations and prosecution of the subject was declined.	Prosecution Declined
	4/30/2015		
		The basis for this investigation was a HUD OIG Hotline Complaint alleging various instances of fraud, waste, abuse, and mismanagement by a former Executive Director of a housing authority. The investigation disclosed that the former Executive Director had misused a salary loan program that was offered to Housing Authority employees. However, the case was declined for criminal prosecution.	Prosecution Declined
	6/5/2015		
		A referral from the Denver HUD Office of Public Housing (OPH), followed by a hotline complaint, alleged that there may have been fraud involving the porting of Section 8 Housing Choice Vouchers (HCVs). Specifically, there were allegations that there was an organized effort to defraud the HCV program by having individuals from out of state apply for and obtain HCVs but not live in the units and port the voucher to another city when eligible. The investigation found a lack of evidence to support the allegations.	Allegation Not Substantiated
	9/29/2015		
		HUD's Office of Multifamily Housing reported allegations of theft by an on-site manager of a project-based Section 8 property (b) (7)(C). The investigation revealed that the subject falsely reported tenant's income to HUD in order to maximize their housing subsidy while stealing the tenant's portion of rent paid via money order. The tenant portion was based upon the tenant's true income. The subject was sentenced in U.S. District Court to 12-months incarceration, 36-months supervised release and ordered to pay restitution in the amount of \$179,119.55.	Successful Prosecution
	4/29/2015		
		A referral from HUD's Denver Homeownership Center, Quality Assurance Division, alleged that a former mortgage company employee stole money from a Home Equity Conversion Mortgage applicant. The investigation revealed that the subject falsely advised the applicant that they were required to pay \$2,400 to complete the transaction, which he subsequently stole. The subject was sentenced in State Court to 6-months incarceration, 24-months supervised release and ordered to pay \$1,600 in restitution.	Successful Prosecution
	10/22/2015		



(b) (7)(C)

8/10/2015	The basis for this investigation was a referral from a housing agency who advised that it had received a complaint from an individual, who wanted to remain anonymous, alleging that the landlord for one of their assisted units was the paternal grandmother of an authorized household member in a Section 8 Housing Choice Voucher program unit and that all payments to the landlord would have been ineligible. The investigation was unable to substantiate the allegations.	Allegation Not Substantiated
7/22/2015	A Qui Tam was received from the United States Attorneys Office. The relator alleged the following mortgage lending practices: issuing undisclosed loan to borrowers of FHA loans, paying loan originators based on the profit from loans (Dodd-Frank), influence of appraisals through an affiliated company, and fraudulently altering material mortgage/loan documents. The case was declined for prosecution (b) (5)	Prosecution Declined
3/19/2015	A referral from a housing authority alleged that a landlord for one of their assisted living units was aware of an unauthorized tenant living in the unit but did not report it to the housing authority while continuing to collect rental payments, until the landlord believed that the unauthorized tenant damaged his property. The landlord only contacted the housing authority and advised them of the unauthorized tenant when he wanted repayment for the damage to his property. The investigation was unable to substantiate the allegations and the case was declined for prosecution.	Prosecution Declined
2/5/2016	This investigation was predicated upon allegations that a former government official and others committed fraud against the government. The subjects allegedly directed the diversion of funds, that included federal HOME grant funds, from official accounts of the sponsor agency. The subjects were contracted as the developer of a senior housing project. The project was being built using federal HOME grant funds as well as state appropriated funding. Some of the subjects were then contracted to run various management positions in the projects. The subjects allegedly moved funds to accounts not belonging to the project. The investigation was unable to locate documentation that would substantiate the unauthorized transferring of funds.	Allegation Not Substantiated
9/30/2015	This investigation was initiated based on data compiled from various sources that seemed to indicate that a company might have committed Pre-foreclosure Sale (PFS) program fraud related to several PFS transactions that occurred. Initial review of the spreadsheet seemed to indicate possible irregularities involving HUD's PFS program, as it relates to these properties. The investigation disclosed no obvious concerns in the transactions between the distressed homeowners and the company who purchased the properties and shortly after he sold them.	Allegation Not Substantiated
3/9/2015	This investigation was opened based on a referral from a housing authority alleging that one of their Section 8 Housing Choice Voucher (HCV) Program Participant landlords had been renting a property to a HCV Program Participant tenant, who was her daughter. The investigation confirmed the landlord had been renting a residence to her daughter. Both program participants were removed from the program and pled guilty to criminal charges related to committing fraud against the program. In addition to pleading guilty, the parties have also paid \$47,643.12 in restitution to the state for Housing Assistance Payments (HAP) which they were not entitled to receive.	Successful Prosecution

(b) (7)(C)

	7/30/2015	This investigation was initiated based on data compiled from various sources that seemed to indicate that a company might have committed Pre-foreclosure Sale (PFS) program fraud related to several PFS transactions that occurred. Initial review of the spreadsheet seemed to indicate possible irregularities involving HUD's PFS program as it relates to these properties. The investigation disclosed no obvious concerns in the transactions between the distressed homeowners and the company who purchased the properties and shortly after re-sold them.	Allegation Not Substantiated
	8/5/2015	This investigation was initiated based on data compiled from various sources that seemed to indicate that a company might have committed Pre-foreclosure Sale (PFS) program fraud related to several separate PFS transactions that occurred. Initial review of the spreadsheet seemed to indicate possible irregularities involving HUD's PFS program as it relates to these properties. The investigation disclosed no obvious concerns in the transactions between the distressed homeowners and the company who purchased the properties and shortly after he sold them.	Prosecution Declined
	3/8/2016	This investigation was initiated based on data compiled from various sources that seemed to indicate that a company might have committed Pre-foreclosure Sale (PFS) program fraud related to several separate PFS transactions that occurred. Initial review of the spreadsheet seemed to indicate possible irregularities involving HUD's PFS program as it relates to these properties. The investigation disclosed no obvious concerns in the transactions between the distressed homeowners and the company who purchased the properties and shortly after he sold them.	Prosecution Declined
	7/1/2015	A referral from a Housing Choice Voucher Manager, Colorado Division of Housing, alleged that one of their Section 8 Housing Choice Voucher (HCV) recipients claimed the need for a caregiver, based upon his disability, which resulted in the recipient obtaining a voucher for a two bedroom assisted unit instead of a one bedroom voucher. The referral further alleged that the recipient was subletting the extra bedroom of his unit, meant for the caregiver. The investigation found a lack of sufficient documentation for criminal prosecution.	Prosecution Declined
	9/28/2015	A law enforcement referral alleged that there were checks written by borrowers made for a consulting or appraisal fee that was not authorized by the lender's mortgage program. The investigation revealed that the subject, a former Senior Mortgage Loan Consultant who worked out of the bank's Loan (b) (7)(C) [REDACTED], caused customers to write checks as a part of the loan application process for a mortgage loan whereby the subject served as the loan consultant. The checks written were for appraisal fee's, though it is believed that the bank was responsible for the appraisal fees, not the borrower/customer. The subject deposited the checks into his personal account. 29 borrowers were found to have written checks for bogus services. The subject entered into a Pretrial Diversion Agreement in U.S. District Court and received 18-months of probation and ordered to pay restitution in the amount of \$6,810.	Successful Prosecution

(b) (7)(C)

	4/8/2015	This investigation was initiated based on an anonymous complainant alleging the recipient of a Home Equity Conversion Mortgage (HECM) was living at an assisted living facility instead of at the home with the HECM, which would be a violation of the HECM rules. The daughter of the HECM recipient was alleged to be living at her father's residence. The complainant alleged that the daughter had been living for free in the house for four years while her dad has been in an assisted living facility. The investigation determined that the owner lived at the property when he was approved for the HECM with his daughter. A review of the HECM file showed the daughter notified the mortgage company on multiple occasions that her father was in an assisted living facility, but planned on returning home. The daughter had power of attorney for her father and continued to draw down on the HECM loan from mortgage company until all funds were depleted. The case was declined for prosecution.	Prosecution Declined
	5/1/2015	A referral from the FBI reported that a complainant wanted to share information with the FBI and HUD OIG concerning the use of \$500,000 of Community Development Block Grant (CDBG) funds. According to the complainant, the CDBG funds were awarded to a company prior to the city council's approval for any of the proposals, for the purpose of (b) (7)(C). The reporting party alleged that the \$500,000 in CDBG funds was reported to HUD as being used for low-rent housing when the money was actually used for projects outside the scope of work, which included the development of a residential area. The results of the investigative efforts could not confirm any public corruption or abuse of authority by city, or designated persons involved with the project. The matter was referred back to HUD for whatever action was deemed appropriate.	Closed by Referral
	11/30/2015	HUD OIG received a referral alleging that individuals who worked for and owned a credit company were making false statements to consumers by saying their credit repair company was affiliated with HUD when they really were not. The subject credit company has subsequently gone out of business. HUD OIG has also received information that the owners of the credit company are being investigated for other allegations by other agencies. (b) (5) the case was administratively closed.	Administratively Closed
	4/23/2015	This investigation was initiated based on a complaint involving a tenant and the landlord of a HUD-subsidized residence. Allegations involve the subject being involved in an affinity fraud scheme and allegations that the subject had conducted similar fraud schemes in the past. The complainant alleged the previous fraud schemes resulted in the murder of two senior citizens. This information was forwarded to the sheriff's office that was investigating the violent crime allegations.	Administratively Closed
	3/10/2015	A complaint received from HUD Office of Native American Programs (ONAP) alleged a possible conflict of interest violation regarding a HUD ONAP employee. (b) (7)(C). It was alleged that the employee did not disclose this outside employment or receive an Ethics opinion on this outside employment. The investigation could not substantiate the allegations and the case was closed administratively.	Allegation Not Substantiated

(b) (7)(C)

	3/9/2016	This investigation was initiated based on a referral from the HUD OIG Hotline, who received a complaint from an anonymous source regarding an Executive Director of a housing authority. The allegations stated that the Executive Director had been embezzling funds from the housing authority. During the course of the investigation, operating accounts were subpoenaed and reviewed, as well as credit card statements and receipts. The allegations could not be substantiated.	Allegation Not Substantiated
	11/13/2015	HUD OIG received allegations that an accountant commanded his secretary to forge the signature of another on a contract which his management company then used as part of an application package to HUD/FHA, requesting a condominium complex to accept purchases with FHA-insured mortgage loans. The submission was approved based, in part, upon the forged signature. The allegation was substantiated and the licensee was pursued through administrative and regulatory remedies. The results of the investigation were not suitable for further consideration of a criminal prosecution and the matter was administratively closed.	Closed by Referral
	9/14/2015	This investigation was initiated based on information that a HUD employee was being investigated for harassing their former spouse and causing property damage to the former spouse's property. It was alleged that the employee may have been using their position to access government databases to locate their former spouse. The investigation revealed that the employee did not have access to government databases in their position that would have provided information to locate their former spouse. The allegations of harassment and property damage were being investigated by the local prosecutor's office and the matter was deferred to this prosecutor's office to complete without the involvement of HUD OIG.	Administratively Closed
	9/24/2015	HUD's Office of Multifamily Housing alleged that a pattern of potential marriage fraud existed at a project-based complex (b) (7)(C), which may have been for the purpose of fraudulently obtaining housing benefits. The investigation was unable to substantiate the allegations and the matter was declined by the U.S. Attorney's Office (b) (5).	Prosecution Declined
	3/23/2016	This investigation was initiated based on a referral from a housing authority alleging a possible violation of the Housing Choice Voucher program. The complaint alleged that the head of household received assistance while residing in a unit owned by a family member. The investigation disclosed that the owner of the assisted property would "Quit Claim" her ownership in the property to another individual, thereby circumventing the program rule that stated a family member was not authorized to rent to another family member. These findings were presented for prosecution but the matter was declined for criminal prosecution.	Prosecution Declined
	8/25/2015	HUD's Office of Multifamily Housing reported allegations of multiple tenants using stolen identities to obtain housing subsidy. The investigation revealed that the issue was an isolated incident and the matter was administratively closed after being referred back to HUD.	Administratively Closed
	1/26/2016	A referral from the FBI alleged possible inappropriate use of HUD's Community Development Block Grants (CDBG) and Emergency Shelter Grants issued to a sub-recipient. Specifically, the referral alleged that CDBG funds were used inappropriately and there were kickbacks associated with renovation contracts. The investigation disclosed what appeared to be inappropriate use of CDBG funds. The investigative efforts were referred to the U.S. Attorney's Office but criminal prosecution was declined because the board had approved the multiple awarded contracts for the sub-recipient renovating the housing units.	Prosecution Declined

(b) (7)(C)

	11/30/2015	<p>A referral from a HUD OIG Hotline complaint alleged a potential conflict of interest regarding a HUD employee. The complaint stated that, prior to the HUD employee being hired at HUD, he was a contractor employed by a company that was doing business with HUD. The complainant alleged that there was no "cool-off" period that took place from when the employee was hired in the same area of HUD on which he worked as a contractor. It was also alleged that the employee was a (b) (7)(C)</p> <p>(b) (7)(C) to include involvement on behalf of the company during the negotiation of a final financial settlement between HUD and the company. The investigation disclosed that the employee did not have any influence or the capability to award HUD contracts to his former employer. The HUD Ethics Office was contacted during this investigation and concurred with the investigative findings. This matter was referred back to HUD for whatever action was deemed appropriate.</p>	Referral to Program Staff/HUD
	2/16/2016	<p>This office received a request for a collateral investigation from another HUD office to help locate a subject on an investigation who had an arrest warrant. Coordination was made with the U.S. Marshal's Service to provide assistance in locating and arresting the individual. It was discovered that the subject of the investigation was residing in another state.</p>	Administratively Closed
	10/23/2015	<p>HUD OIG received an allegation that a vendor withdrew \$25,000 from a local housing authority account, ostensibly to pay payroll taxes, but did not pay the taxes. The vendor, a payroll servicing company, was to administer payroll processing for employees. The investigation discovered that the vendor's owner failed to make proper tax obligation payments for the housing authority, and in excess of 100 additional clients, keeping the funds for himself. This individual was convicted in U.S. District Court of willful failure to pay over withheld payroll taxes and embezzlement concerning programs receiving federal funds. This individual was sentenced to 37-months incarceration, three years supervised release and ordered to pay \$1,873,617.72 in restitution.</p>	Successful Prosecution
	11/12/2015	<p>HUD OIG received information from a federal law enforcement entity concerning an organization that had been contracted by local municipalities to administer loans to low-income property owners for the purpose of rehabilitating their homes. When this organization ceased operations, the former Executive Director informed the City that it would not be able to return \$155,800 in CDBG funds for which it had been responsible. This organization had rights to approximately \$25,800 in administration fees, so the amount that needed to be replaced was approximately \$130,000. A former employee with this organization admitted to several acts of wrongdoing, primarily dealing with issues surrounding him granting himself outrageous pay and benefits. A criminal complaint was filed, but later dismissed, (b) (5)</p> <p>(b) (5) Therefore, prosecution was declined.</p>	Prosecution Declined
	10/23/2015	<p>A HUD OIG investigation was initiated based on a filed Qui Tam, alleging that a records management company contracted by the federal government, through its multiple-awards contracts with GSA, failed to provide the government with the lowest price that it would give to its customers and overbilled the various agencies relating to services and products provided. HUD is one of several dozen agencies that were affected by this records management company's scheme and approximately \$41 million of government contracts were in question. As a result of the investigative efforts, HUD received a refund of \$202,000.</p>	Successful Prosecution
	6/8/2015	<p>HUD OIG received information alleging fraud conducted by a former director associated with a (b) (7)(C)</p> <p>(b) (7)(C). An internal audit identified that program files had been altered. Prosecution was declined (b) (5)</p>	Prosecution Declined

(b) (7)(C)

2/4/2016	HUD OIG received a referral from a federal law enforcement partner concerning allegations that a non-profit was defrauding the government through misuse of grant money. HUD OIG made inquiries to determine if there were any HUD funds going to a specific entity or their subsidiaries. Based on the inability to link HUD funds with any of the entities in question, this investigation was closed administratively.	Administratively Closed
2/12/2016	HUD OIG received an anonymous complaint involving a foundation responsible for a food distribution program. It was alleged that participants willing to participate in this program were being coerced to sign cards or petitions in opposition to a current recall action against a particular person as a condition of receiving the assistance. The investigation determined that said organization has not received HUD funding since 2011, and that no HUD nexus exists. The case was closed and referred to the municipality that was responsible for this program for any action they deem appropriate.	Closed by Referral
3/2/2016	HUD OIG received a referral regarding possible political corruption involving a local city council member. It was alleged that city council person had voted numerous times to approve funds for projects which involve HUD Neighborhood Stabilization Program (NSP) funds that would personally benefit a company that this person owned. An investigation was opened to determine if this council person misused their position and created a conflict of interest when they did not recuse themselves from the council, by allowing an affiliated developer to participate in the city's NSP. Although the OIG Office of Audit concluded a possible conflict of interest took place, the California Fair Political Practices Commission and HUD itself (Office of Program Enforcement) declined to take action. Further, the U.S. Attorney's Office declined to prosecute (b) (5) [REDACTED], no further action was taken and the case was administratively closed.	Allegation Not Substantiated
3/29/2016	HUD OIG received information regarding fraud involving the Home Affordable Modification Program (HAMP). It was alleged that a large banking institution knowingly sabotaged borrowers, including those with FHA loans, who were attempting to modify their loan through the HAMP program. The alleged methods used included telling borrowers they had not received paperwork, when they had. Further the bank allegedly and knowingly misled regulatory and government agencies as to the status of individual borrowers HAMP participant status. (b) (5) [REDACTED] and a declination by Assistant United States Attorney, Southern District of California, this case was closed.	Allegation Not Substantiated
10/16/2015	HUD OIG received a referral from a former housing authority employee alleging misuse of HUD funding. The allegation was unsubstantiated, as a result, the investigation was administratively closed.	Allegation Not Substantiated
10/7/2015	HUD OIG received information concerning a local housing authority board member allegedly using their position to influence the selection of a contractor in which they were employed. The investigation determined that the member of the board of directors was employed by the contractor at the time of the selection; however, the member had recused themselves from the procurement proceeding and the investigation was not able to substantiate that the member had influenced the remaining board members.	Administratively Closed

(b) (7)(C)

	1/21/2016	Information obtained through a prior HUD OIG investigation indicated that an individual was involved in an equity skimming scheme that defrauded HUD and resulted in a loss of over \$1,000,000. The investigation determined that the suspect in the investigation used other individuals' names and personal identifiers, unbeknownst to those individuals, to create a loan modification scam. The subject convinced homeowners into deeding their properties to him and pay him but never made payments to the loan. Many of the properties went into foreclosure. He then placed renters into these homes, filed bankruptcies to forestall the foreclosure of the properties and continued drawing rental income. Finally, in 2015 this individual was prosecuted and sentenced to serve 96-months incarceration and pay \$1.5 million in restitution.	Successful Prosecution
	1/29/2016	On May 6, 2010, a HUD OIG agent met with representatives from the Area Housing Authority (b) (7)(C) to discuss tenant fraud under the Housing Choice Voucher Program. Program administrators identified numerous allegations of fraud and asked HUD OIG to investigate these matters as time permits. It was determined that 11 tenants had committed various forms of fraud against the rental assistance program. One of the 11 individuals was convicted, sentenced, and terminated from the voucher program. The other 10 individuals were not convicted, but were terminated from further participation in the voucher program.	Successful Prosecution
	11/3/2015	This case originated from information developed from a prior investigation involving a HUD-approved appraiser. Subsequent investigation determined that a loan officer for GMAC Mortgage processed 22 of 41 identified FHA defaulted loans. This loan officer provided fictitious paystubs and Verification Of Employments that were relied upon to approve the mortgage loans. HUD lost approximately \$160,000 when the loans defaulted. The loan officer was charged in Kern County California, pled nolo contendere and was ordered to pay \$158,000 in restitution. However his charge was reduced to a misdemeanor because he made full restitution and was sentenced to five years of probation, one day in custody – time served and 1,440 hours of community service.	Successful Prosecution
	4/13/2015	In October 2010, the HUD OIG Sacramento Office initiated a Rental Assistance Fraud Initiative (RAFI) to identify and investigate recipients of HUD rental subsidies within (b) (7)(C) who were committing fraud by allowing unauthorized tenants to reside in their HUD subsidized residences. The investigation identified 37 possible subjects believed to be defrauding the local area housing authority. Of the 37, 17 were ultimately charged and convicted of various crimes related to defrauding HUD/Housing Authority.	Successful Prosecution
	1/20/2016	A Financial Crimes Investigator of Wells Fargo Bank (WFB) provided information to HUD OIG concerning a loan misrepresentation scheme identified by WFB. WFB identified 17 FHA loans and 2 conventional loans as containing suspected fraudulent documents. All of the loans were related (b) (7)(C) (b) (7)(C). The total value of the loans involved was approximately \$2.1 million and all of the loans were funded between 2010 and 2013. The investigation determined that none of the loans defaulted and no loss has been incurred.	Prosecution Declined

(b) (7)(C)

	7/7/2015	HUD OIG was notified by FHFA OIG of an possible allegation of short sale fraud involving a State of California licensed real estate broker and licensed sales person. Allegedly, the complainant made a bid on a home that had gone to short sale and that realtor would not accept his offer. He later determined that the home sold for approximately \$100,000 less than what he was trying to bid. The complainant believes that the original lender lost out on the \$100,000 extra he was willing to offer. The investigative findings were presented to a prosecutor who identified eight (8) of 18 mortgages that would meet prosecutorial requirements. However, none of the eight identified were FHA related, eliminating a HUD nexus. Therefore, prosecution was declined.	Prosecution Declined
	11/12/2015	HUD OIG received a letter from (b) (7)(C) wherein allegations were made related to several instances of embezzlement, corruption and theft. The investigation determined that the allegations involved very low dollar amounts and/or the complainants did not have firsthand knowledge of the allegations. No further action was taken at this time and the case was administratively closed.	Administratively Closed
	2/4/2016	HUD OIG was contacted by (b) (7)(C) and advised that two employees had been receiving numerous explicit text and phone messages over the past months. According to management, a HUD employee was suspected based on the content of the messages. The investigation discovered that there was, in fact, a fellow HUD employee harassing two female employees. This individual was charged in (b) (7) State court and pled guilty to violations of various (b) (7) penal codes, to include stalking, threatening crimes and computer access fraud. He was sentenced to serve three years incarceration and pay a fine of approximately \$5,000 to the victims. Additionally, this individual was terminated from employment with HUD.	Successful Prosecution
	5/5/2015	HUD OIG received a referral from the Santa Ana Homeownership Center. The referral detailed results of a recent review of a mortgage lender wherein several possible violations of HUD/FHA requirements were identified. Among them, was that the lender allowed prohibited employees to originate FHA-insured loans and loan officers originating multiple FHA loans for one mortgagor while being aware that alleged occupancy requirements were not met. Due to the lack of material evidence of a criminal act, the case was not referred for prosecution, but was referred to the Office of Audit for their review.	Closed by Referral
	1/6/2016	Representatives from an Indian tribe met with HUD OIG and advised that they had concerns regarding the expenditure of a \$1,250,000 special purpose grant the tribe received from HUD. Specifically, the group was concerned that their tribal business chairman diverted, for personal use, the grant funds which were earmarked to purchase equipment for the construction of new homes on their reservation. The investigation determined that a contractor, hired to build a tribal housing factory, had committed wire fraud and money laundering. He was charged in U.S. District Court and later pled guilty. He was sentenced to 12-months incarceration and ordered to pay \$1.2 Million in restitution to HUD.	Successful Prosecution



(b) (7)(C)

	1/6/2016	A complainant reported to HUD OIG Hotline that a federal employee has held a second job for the past ten years and that she had not been reporting the employment to the property management of her HUD-subsidized unit. The complainant stated that the subject works under several different names to avoid detection and was also using two different social security numbers. The unreported income resulted in the subject having benefits paid on her behalf that she was not entitled to receive. The investigation substantiated the allegation and the federal employee pled guilty in U.S. District Court to making false statements. She was sentenced to eight months at a residential re-entry center, five years of probation and ordered to pay \$70,084 in restitution to HUD.	Successful Prosecution
	8/11/2015	HUD OIG received a complaint from the Santa Ana HOC that an adverse occupant had taken up residence in a HUD REO property. The occupant alleged that he had responded to an advertisement on Craig's List and had signed a rental agreement and paid rent for the property. The occupant refused to leave the property and maintained that he had renter's rights.	Allegation Not Substantiated
	12/15/2015	On October 15, 2010, the HUD OIG Sacramento Office, initiated a Rental Assistance Fraud Initiative (RAFI) to identify and investigate recipients of HUD rental subsidies, within (b) (7)(C) who are committing fraud by allowing unauthorized tenants to reside in their HUD-subsidized residences. Contact was made with the Housing Authority, (b) (7)(C), who committed to support the RAFI. (b) (7)(C), (b) (7)(E)  Tenants were found to have parolees, registered sex offenders, and other unauthorized occupants residing in their subsidized units. As a result of their failures to adhere to the Section 8 program, approximately \$73,000 in HUD Section 8 housing assistance was paid to tenants who were not entitled to receive benefits. 20 individuals were referred to the (b) (7)(C) District Attorney's Office, and charges of grand theft and perjury were filed against 15 individuals, who pled to charges. Charges against three individuals were dismissed and charges were not filed against two of individuals.	Successful Prosecution
	9/21/2015	Information was received from the Sacramento Police Department indicating that the head of household at an identified Section 8 residence in Sacramento, CA may not be residing in the public housing unit and may own real property. The investigation confirmed that the tenant was not residing in the designated residence. As a result, the tenant pled nolo contendere and was ordered to pay \$38,000 in restitution.	Successful Prosecution
	11/6/2015	Information was received from a 203K loan borrower alleging that city inspection documents and a pest control certification were forged in connection with work associated with the 203K loan that were needed for payment. Furthermore, work performed on the property was allegedly sub-standard. The suspect contractor was identified as having altered receipts. The contractor was convicted in Superior Court of California and sentenced to five years probation and order to pay approximately \$50,000 in restitution to various borrowers.	Successful Prosecution
	6/30/2015	On November 5, 2013, an investigator with the Office of the District Attorney, El Dorado County contacted HUD OIG and advised that he was working a case involving a HUD rehabilitation mortgage through (b) (7) (C). An investigation could not substantiate any criminal violations. Furthermore, any issues (C) regarding the 203(K) loan and (b) (7)(C). The case was closed administratively.	Administratively Closed

(b) (7)(C)

	12/14/2015	A housing authority executive director met with HUD OIG Audit and Investigations to discuss allegations related to the housing authority's Board of Commissioners and their alleged double-billing on travel expense reports. In addition, it was alleged that a board member was participating in a conflict of interest, by being the chairperson on the Board and by having financial interests in entities that the housing authority conducted business with. The investigation did not substantiate the allegations, and the case was declined by the USAO based on lack of sufficient evidence.	Prosecution Declined
	3/28/2016	Information was received from Area Housing Authority of Ventura County alleging that a subsidized head of household for Section-8 residence located in (b) (7)(C) an unauthorized tenant residing with her. Purportedly, the tenant was allowing her parolee boyfriend to live in the home and listed the subsidized residence as his parole address. The subsidized individual was terminated from receiving benefits, and was subsequently criminally charged by local authorities. However, the charges were later dismissed, due to failure to prove unauthorized tenants resided in the unit beyond the 14-consecutive days as allowed by the Housing Authority.	Prosecution Declined
	1/27/2016	HUD OIG received a referral from Office of Audit (OA) related to possible mortgage fraud by an escrow officer. The OA query found that an employee of (b) (7)(C) purchased an FHA-insured property which went into default. The escrow officer admitted to having participated in a scheme wherein loan origination fraud was committed through the submission of false documents, which resulted in the loan being approved. Presentation for prosecution was made but declined (b) (5).	Prosecution Declined
	11/12/2015	OIG received a complaint alleging a recipient of Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds, under the (b) (7)(C) failed to fully report her household income in order to receive said funding. Based on findings disclosed by the investigation, the recipient was terminated from further receipts of funding for violations of the HPRP program regulations. The case was declined for prosecution (b) (5).	Prosecution Declined
	7/20/2015	This case originated pursuant to the FBI hosted "Distressed Homeowners Initiative Strike Force" whereby various homeowners seeking loan modification assistance with their home loans were victimized by numerous companies. (b) (7)(E) The FBI secured search warrants on a law office, but no HUD nexus was found. Case closed administratively.	Administratively Closed
	3/2/2015	HUD OIG received a complaint from the U.S. Dept. of Labor, via the City of Anaheim, stating that they received complaints from two employees with a local Southern California company indicating that they were not being paid Davis-Bacon wages and that they were required to return funds back to the owner of the company while working at a particular project in Anaheim, CA, which was HUD CPD funded. Based on investigative findings, the company entered into an agreement with the DOL to repay funds in the amount of approximately \$30,000 to employees. However, prosecution was declined (b) (5).	Prosecution Declined

(b) (7)(C)

		(b) (7)(A)	
	4/22/2015	closed. This case was administratively	Administratively Closed
	9/17/2015	HUD OIG received a referral from HUD OIG Civil Fraud Division alleging that a mortgage lender submitted fraudulent documents in FHA loan packages to help secure funding. A review of the lender further identified real estate agents, an investor and a loan officer with knowledge of the alleged false documents. However, the statute of limitations had tolled in many instances. The findings of this investigation were referred to the United States Attorney's Office for prosecutorial consideration and the matter was declined. (b) (5)	Prosecution Declined
	11/19/2015	This was a joint investigation between the San Diego Joint Terrorism Task Force, Social Security Administration Office of Inspector General, and HUD OIG, wherein it was alleged that that a subject known to the task force was committing rental assistance program fraud. The subject was identified as a Section 8 landlord who was allegedly renting to various family members. During the course of this investigation, it was determined that a Section 8 landlord and real estate broker knowingly submitted a fraudulent Request for Tenancy Approval Application (RFTA) to the HACSD. Specifically, this individual claimed in the RFTA that the renters of the property he owned in (b) (7)(C) were not family members when, in fact, the renters were his brother-in-law and sister. This individual furthered the scheme by signing the Housing Assistance Payment (HAP) contract which allowed him to receive monthly rental housing subsidies for an approximate seven month period. This individual was charged and sentenced in the Superior Court of California for fraudulently obtained money by false reporting.	Successful Prosecution
	11/24/2015	HUD OIG received a referral from local law enforcement alleging that housing authority employees (inspectors) may be receiving kickbacks from landlords for falsifying property inspections. It was determined that some inspectors falsified timesheets, and they were subsequently terminated from employment. It was further alleged that housing authority employees are directing tenants to landlords with whom they have a personal relationship. Issues were investigated, but all matters were addressed administratively by (b) (7)	Prosecution Declined
	11/19/2015	Based on a referral from the Federal Housing Finance Agency, it was suspected that a real estate broker purchased and sold several HUD REO properties through various trusts to mask ownership and circumvent REO purchase rules. FHA files were examined, but no improprieties were found. The AUSA advised she would decline prosecution (b) (5)	Prosecution Declined
	4/8/2015	This investigation was initiated pursuant to a referral from the Housing Authority of The City of Los Angeles, CA alleging that a Section 8 tenant failed to disclose employment and income related to an internet-based business involving the sale of energy drinks. The investigation did not reveal a significant amount of income earned from said business. This matter was referred back to the Housing Authority for whatever action they deemed appropriate and was administratively closed.	Administratively Closed

(b) (7)(C)

		<p>This case was initiated pursuant to a referral by the (b) (7)(C), alleging that a federal employee and her boyfriend, also a federal employee, conspired to defraud the (b) of Housing Assistance Payment (HAP) monies by not reporting the employee's ownership of the FHA property she purchased for her parents to rent as Section 8 tenants. The employees furthered the scheme by signing the boyfriend up as the landlord of the Section 8 property, and failed to follow FHA program rules by not residing in the property. The investigation revealed that the employees fraudulently violated the rules of the Section 8 program by submitting false statements to obtain federal funds. The federal employee agreed to waive indictment and pled guilty to an Information, in U.S. District Court, in (b) (7)(C), charging her with making a false statement to a mortgage company. She was ordered to pay restitution to the housing authority in the amount of \$19,983.</p>	Successful Prosecution
	11/24/2015		
		<p>This investigation was initiated based on a referral from HUD's Quality Assurance Division (QAD) wherein a review of a mortgage lender was completed. Based on the results of QAD's review, indicators of fraud appeared present. During the investigation, several loans were investigated that were originated by the lender. Fraudulent documents were found in the origination of the loans. The lender indemnified the loss on the questionable loans, resulting in no financial loss to HUD. As a result, criminal prosecution was not pursued further.</p>	Administratively Closed
	3/28/2016		
		<p>HUD OIG received a complaint alleging that the Board of a HUD-approved Multifamily Health Facility was requiring and receiving kickbacks from vendors for major contracts. During the course of the investigation, vendors were interviewed to ascertain whether kickbacks were solicited. No evidence was found to substantiate the initial allegation.</p>	Allegation Not Substantiated
	3/28/2016		
		<p>On May 19, 2011, a fraud investigator with the Housing Authority for the City of Los Angeles (HACLA), reported possible fraud taking place by a landlord participating in the Section 8 rental assistance program. HUD OIG was advised that a landlord participating in the subsidized program assumed the identity of another individual and began receiving subsidized housing benefits at his own property. The investigation lead to the landlord being charged in (b) (7)(C) for perjury and theft. The landlord was sentenced to 16-months incarceration and ordered to pay restitution of approximately \$116,000.</p>	Successful Prosecution
	4/20/2015		
		<p>This case captioned investigative activities conducted with the California Department of Justice (DOJ) Mortgage Fraud Task Force, where it was found that an individual operated a company, known as (b) (7)(C), and falsely promoted herself to be a certified HUD and FHA Counselor. This individual worked in concert with three real estate professionals wherein they charged borrowers in financial distress thousands of dollars in "advance" fees claiming they could modify their loans. The primary subject admitted during an interview she was not certified by FHA or HUD. The investigation resulted in all four subjects being charged in (b) (7)(C) with violations of conspiracy, grand theft, and unlawful collection of advance fees. The primary subject was sentenced to serve two years incarceration. The co-conspirators were sentenced to probation, fines and restitution.</p>	Successful Prosecution
	5/5/2015		

(b) (7)(C)

4/20/2015	<p>In December of 2011, HUD OIG received a fraud referral from (b) (7)(C) alleging the following: 1. The head of household was possibly related to the landlord. 2. Some authorized tenants might not be residing in the subsidized unit. 3. There might be unreported tenants and income. The investigation determined that the landlord was leasing her designated section 8 unit to her mother. The mother pled guilty to making false statements and was sentenced to three years of probation, terminated from the Section 8 program and ordered to pay \$69,427 in restitution (b) (7)(C). The landlord pled guilty to making false statements to HUD was sentenced to two years of probation and ordered to pay \$69,427 in restitution (b) (7)(C).</p>	Successful Prosecution
3/30/2016	<p>On March 27, 2013, HUD OIG received information from the (b) (7)(C) District Attorney's Office requesting assistance with a case involving public corruption with HUD funds. It was alleged that an employee of the (b) (7)(C), was finding women on Craigslist (prostitutes) and recruiting them to be a part of a scheme where he makes them a fake landlord and was also bumping people who would qualify for HUD funded assistance off the waiting list in order for the women with whom he is having sex with to move up the list. The investigation determined that the employee required the women to kick him back a portion of proceeds from landlord payment checks. The employee pled guilty to misappropriation of public funds, in violation of California Penal Code, and was sentenced to one year incarceration followed by 48-months probation, fined \$357 and ordered to pay \$5,800 in restitution to the (b) (7)(C).</p>	Successful Prosecution
2/29/2016	<p>On August 12, 2013, HUD OIG was contacted by U.S. Customs and Border Protection (CBP), Internal Affairs (IA), regarding possible real estate fraud involving a CBP Officer. (b) is allegedly involved in possible real estate fraud. The investigation revealed that the CBP Officer was using immediate family members as straw buyers to purchase HUD REO properties, which the CBP Officer then rented. HUD affirmed that had they known that FHA borrowers would not be occupying the home, the loan would not have been approved. As a result of the joint investigation, the CBP Officer pled guilty to making false statements and was sentenced to two years of formal probation. No loss was sustained by HUD as the FHA loans were performing and the REO properties were being sold. Although HUD considered it a material false statement for someone to falsely claim they were going to live in the REO property, no actual monetary loss was sustained.</p>	Successful Prosecution
7/29/2015	<p>A complainant reported that a Senior Loan Officer, working for a lender with HUD direct endorsement approval, may be processing fraudulent loans. The complainant claimed to have direct knowledge of the loan officer submitting false documents in loans originated for FHA insurance. An investigation of several loans originated by the loan officer and the lender was conducted. While indicators of fraud were present, it was deemed that there was not enough evidence to conclude criminal wrongdoing.</p>	Allegation Not Substantiated
1/14/2016	<p>This investigation was initiated pursuant to an allegation received from the Santa Ana HOC alleging that several borrowers submitted false loan documents in employment records, bank statements, and asset information in order to qualify for FHA-insured loans they were not qualified for. An investigation of the loans was conducted and indicators of fraud were deemed present. However, throughout the investigation, none of the subject loans entered claim status and HUD suffered no loss. The investigative findings were presented to the District Attorney's office, (b) (5) the case was declined for prosecution.</p>	Prosecution Declined

(b) (7)(C)

	11/30/2015	HUD OIG received information from the FBI Organized Crime Unit alleging possible "Section 8" fraud in the (b) (7) area of Los Angeles. It was suspected that, via a "broker," community residents (b) (7)(C) could obtain subsidized housing and "jump to the top of the waiting list" for a fee of \$5,000- \$8,000, depending on the size of the unit. An investigation of the allegation was conducted and the complainant was not able to provide information that would lead to the identity of the broker. As a result, no evidence was found to corroborate the allegation.	Allegation Not Substantiated
	11/19/2015	This investigation was initiated based on a referral from the Social Security Administration (SSA), Office of Inspector General (OIG) alleging that a Section 8 participant failed to report her total household income continuously on her annual certifications. The participant also allegedly received social security benefits on behalf of her disabled brother and failed to report that he was incarcerated for ten years, during which time she collected approximately \$100,000 in social security benefits she was not entitled to. Although, the additional income may have been exempt with the housing authority, she was not entitled to the funds while her brother was in prison. The Investigation determined that the participant was required to report the income received to the housing authority and that she failed to do so on annual certifications, resulting in her receiving benefits she was not entitled to. Investigative findings were presented to District Attorney's Office and participant was charged and sentenced.	Successful Prosecution
	6/8/2015	HUD OIG received a Hotline Complaint and supporting documentation alleging that subject had fraudulently obtained a \$394,725 HECM on her own residence by quit-claiming the property to her terminally ill father and then applying for a HECM on his behalf through the use of a special power of attorney. The subject subsequently quit-claimed the property back into her name around the time of her father's death. The investigation revealed that the father never resided in the HECM property, as required, and the subject submitted false statements purporting that he did. The investigative findings were presented to District Attorney's Office and the subject was subsequently charged in (b) (7)(C). This individual was sentenced to three years probation and ordered to pay \$100,500 in restitution to HUD.	Successful Prosecution
	4/8/2015	HUD OIG received an e-mail referral from a Housing Director alleging that a Section 8 Housing Choice Voucher (HCV) participant had fraudulently received and negotiated her deceased grandmother's HCV landlord checks. The participant's actions resulted in a loss to the housing authority of approximately \$29,000. An investigation of the allegation was conducted and findings presented to the District Attorney's Office. The participant was subsequently charged and convicted of theft.	Successful Prosecution
	2/10/2016	HUD OIG received a QAD referral which stated that loan documents were altered and included copies of altered documents. HUD's records showed that subject loan was currently 6 months delinquent and the borrower only made 8 payments on the loan. The borrower was a real estate agent and acted as the listing agent for her own loan. An investigation of the loan was conducted and discrepancies were found, but the subject filed for bankruptcy. Loan deemed to have minimal impact on HUD programs and the investigation was administratively closed.	Administratively Closed

(b) (7)(C)

		During a meeting at the (b) (7)(C) GCHD personnel reported to HUD OIG that evidence had been developed that a GCHD Section 8 participant was the owner of the property for which he was receiving Section 8 housing assistance. GCHD personnel further advised that evidence had also been developed that the participant's landlord was his mother and that he was listed on the bank account into which the landlord had her HAP payments direct deposited. An investigation was conducted and it was found that the participant submitted false statements and received federal funds he was not entitled to receive. The individual was prosecuted in State Court and was sentenced to two years probation and ordered to pay \$6,500 in restitution.	Successful Prosecution
	5/13/2015		
		This investigation was initiated based on a referral from the (b) (7)(C) personnel alleging that they had received an anonymous complaint that a GCHD Section 8 participant had been renting her Section 8 residence from her brother since she enrolled in GCHD's Section 8 Housing Choice Voucher program. When confronted by GCHD personnel, the participant admitted that her Section 8 landlord was her brother. An investigation was conducted and facts regarding the participant's rental of the property were obtained. (b) (5) prosecution was declined.	Prosecution Declined
	1/19/2016		
		A program review of the (b) (7)(C) revealed allegations of theft by a Section 8/Public Housing case worker who has repeatedly credited Housing Choice Voucher/Public Housing participants for tenant payments that were not actually paid (i.e. friends and family). The investigation of the allegation was conducted and there was not sufficient evidence to conclude criminal wrongdoing.	Prosecution Declined
	2/8/2016		
		This proactive investigation was initiated to address the issue of sex-offender registrants residing in HUD-subsidized housing in violation of program rules. A grouping of sex-offender registrants residing in HUD-subsidized housing was identified and an investigation was conducted to confirm residency. The investigative findings were presented to prosecuting offices and two individuals were charged in Arizona State Court. Both were sentenced to probation and ordered to pay restitution.	Successful Prosecution
	1/12/2016		
		HUD OIG received information that a Section 8 landlord allegedly kept utility allowances paid to him for Section 8 HCV participants while making his tenants pay for their own water and electricity. An investigation of the allegation was conducted and it was determined to be a mutual agreement with the landlord and others— and, hence, not true victimization. As such, no criminal charges were filed and the program termination of both parties served as an administrative remedy.	Administratively Closed
	1/12/2016		
		HUD OIG received information alleging that a manager of a vehicle title loan business obtained titles to salvaged vehicles and had various straw borrowers present the titles for loans (ranging from \$1500-\$5000), which were never repaid. Attorney General's Office Investigators also believe the manager operated interstate funnel accounts for what appears to be drug proceeds. The manager allegedly ran these alleged criminal enterprises while receiving full rental assistance as a participant in HUD's Section 8 program. An investigation of the allegation was conducted and no evidence was found of unreported income or false statement made to the housing authority.	Allegation Not Substantiated
	4/8/2015		
		An anonymous complainant alleged a Section 8 tenant failed to occupy her Section 8 unit in San Francisco, California, as her principal dwelling. The investigation determined that the allegation was unsubstantiated.	Allegation Not Substantiated
	10/13/2015		

(b) (7)(C)

1/29/2016	<p>A referral from the US Marshal Service (USMS) alleged that a fugitive registered sex offender was residing with a Section 8 tenant in Las Vegas, Nevada. The investigation determined that the sex offender fugitive was residing with the Section 8 tenant. HUDOIG and the USMS apprehended the fugitive at the Section 8 unit. HUD OIG referred the Section 8 violations to the Southern Nevada Regional Housing Authority, which then proceeded to terminate the Section 8 tenant's housing assistance.</p>	Referral to Program Staff/HUD
3/24/2016	<p>An (b) (7)(C) purportedly steered large contracts to R (b) (7)(C) companies, whose owners were his friends or former business associates. The investigation determined that the project manager did award several large contracts to businesses owned by his former associates. (b) (5) this matter to be declined by the U.S. Attorney's Office for prosecution. The housing authority project manager's employment was terminated.</p>	Prosecution Declined
9/4/2015	<p>A referral from the U.S. Department of Education - Office of Inspector General (DOE-OIG) alleged that several Section 8 tenants may have engaged in a large "straw students" educational loan / grants fraud. The investigation determined that a Section 8 tenant had participated in the "straw students" scheme and received educational funds to which she was not eligible. The Section 8 tenant was indicted by the U.S. Attorney's Office for Section 8 housing fraud, pled guilty and was ordered to pay \$6,372 in overpaid Section 8 assistance.</p>	Successful Prosecution
3/24/2016	<p>A referral from the FBI alleged an FHA borrower may have submitted fraudulent documentation in the loan origination of an FHA loan. The investigation determined that a real estate agent and bank employee may have caused the submissions of false lease agreements. However, this matter was declined by the U.S. Attorney's for prosecution (b) (5)</p>	Prosecution Declined
10/9/2015	<p>A referral from the National Center for Missing and Exploited Children (NCMEC) alleged that a missing child was reportedly living in a Section 8 unit in (b) (7)(C). The investigation determined that the Section 8 unit was the child's original place of residence and that the child remained missing. During the course of the investigation, HUD OIG found that the child's father failed to report about the changes in his household composition. HUD OIG reported the Section 8 violations (b) (7)(C) (b) (7)(C) which then proceeded to terminate Section 8 assistance in April 2015.</p>	Referral to Program Staff/HUD
10/16/2015	<p>A proactive effort to identify and remove registered Sex Offenders from receiving Section 8 and public housing program was explored by the HUDOIG office in San Francisco, California. H (b) (5) matter was administratively closed.</p>	Administratively Closed
5/7/2015	<p>A proactive effort to develop "sources" at a local housing authority to identify and investigate potential fraud, waste, and abuse was explored by the HUDOIG in Las Vegas, Nevada. However due to the lack of investigative resources, this matter was administratively closed.</p>	Administratively Closed
10/2/2015	<p>A referral from the Consumer Credit Counseling Service of Southern Nevada (CCCS) and Santa Anna HOC alleged that a loan broker may have engaged in an "advance fee" foreclosure rescue scam in Las Vegas, Nevada. Investigation confirmed that the loan broker and his girlfriend solicited and collected illegal advance fees from distressed homeowners, some of whom were FHA borrowers, but failed to deliver any services. The loan broker was indicted and pled guilty in U.S. District Court for wire fraud, and was ordered to pay \$320,266 in restitution and was remanded to serve 37 months in prison. The loan broker and his girlfriend were also charged and pled guilty in Nevada state court for a similar violation.</p>	Successful Prosecution



(b) (7)(C)

10/6/2015	An FHA borrower allegedly short-sold his FHA-insured home to his purported cousin. Despite the sale, the former FHA borrower continued to reside at the residence. The sale violated the "arms length transaction" provision. The investigation substantiated the allegation, (b) (5) and was declined for prosecution.	Prosecution Declined
10/7/2015	A referral from the U.S. Department of Labor - Office of Inspector General (DOL-OIG) alleged that a Section 8 tenant may have fraudulently obtained unemployment insurance (UI) benefits by using multiple identities. The investigation determined that the tenant had obtained duplicate housing assistance from a local housing authority through the use of two identities since 2007. The Section 8 tenant was charged and pled guilty to thefts of government funds. The tenant was sentenced to 57 months in prison and was ordered to pay \$477,466 in restitution to HUD and DOL.	Successful Prosecution
10/7/2015	A referral from the FBI alleged that several real estate professionals may have engaged in a loan modification fraud scheme in which, for a fee, distressed homeowners could own their home "free and clear" due to purported errors made by the banks. The real estate professionals allegedly charged homeowners based on the remaining mortgage amount their home, ranging from \$25,500 to \$300,500. HUD OIG conducted an investigation but had to administratively close the matter (b) (5)	Administratively Closed
3/24/2016	A referral from the State of Nevada Welfare advised that a Section 8 tenant may have failed to provide accurate and complete information about her income to the Southern Nevada Regional Housing Authority. The investigation substantiated the allegation and the Section 8 tenant was prosecuted by the Clark County District Attorney's Office for housing fraud.	Successful Prosecution
10/2/2015	A referral from the Southern Nevada Regional Housing Authority (SNRHA) alleged that a Section 8 tenant may have failed to provide accurate and complete information about her income. The investigation substantiated the allegation and the Section 8 tenant was prosecuted by the Clark County District Attorney's Office for housing fraud.	Successful Prosecution
10/6/2015	An article in the Las Vegas Review Journal alleged that a local nonprofit organization's chief operating officer may have misappropriated HUD funds. A joint investigation with the FBI and Nevada Attorney General's Office was unable to substantiate the allegation.	Allegation Not Substantiated
3/17/2016	A referral from the Southern Nevada Regional Housing Authority (SNRHA) alleged that a Section 8 landlord violated the HUD Section 8 prohibition of renting to family members by leasing her unit to her daughter, also a Section 8 tenant. The investigation substantiated the allegation and both the landlord and tenant were prosecuted by the Clark County District Attorney's Office.	Successful Prosecution
9/30/2015	HUD OIG agents encountered a disheveled and disoriented HUD employee trying to breach the HUD office in (b) (7)(C) Upon further questioning, Federal Protective Service was called and the employee was taken into custody for psychiatric evaluation. Further investigation determined that the employee had been abusing prescription drugs and alcohol dating back to 2008 and also failed to inform the Office of Workers Compensation and HUD about an automobile accident in which he was arrested for driving under the influence. The HUD OIG investigation found that HUD was lax on its oversight of the employee, which may have contributed the employee's continued abuse. HUD terminated the employee's employment in December 2015, and the employee was later found deceased in his residence in July 2016, purportedly from a drug overdose.	Employee Action