

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
9/30/2018	<p>HUD OIG received a referral from HUD alleging that a Section 8 landlord was debarred from participating in both procurement and non-procurement transactions either as a principal or as a participant, with HUD and throughout the Executive Branch of the Federal Government. The investigation determined that during the debarment period, the landlord executed or caused to be executed numerous Housing Assistance Payment (HAP) contracts through his various affiliates. Although allegations were proven to justify administrative sanctions, HUD declined to take action. As a result, this matter was closed.</p>	Prosecution Declined

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9/30/2018	<p>HUD OIG received a referral from a prosecutor's office alleging that an appraisal company and other defendants, deliberately manipulated the values of properties under consideration for Federal Housing Administration (FHA) insurance and that subsequent defaults cost the FHA millions of dollars due to loan under-collateralization. After assessment of the allegations the prosecutor declined prosecution. No additional actions were taken.</p>	Prosecution Declined
9/30/2018	<p>HUD OIG received a referral from a prosecutor's office pertaining to alleged violations within HUD's Home Affordable Modification Program (HAMP). A more comprehensive investigation into this lender is being conducted under a different case. The initial allegations of this investigation were unconfirmed. The prosecutor declined prosecution. No additional actions will be recorded under this case.</p>	Prosecution Declined

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9/30/2018	<p>HUD OIG received a referral from a prosecutor's office alleging that a construction company had employed undocumented aliens to work on government construction projects. The investigation determined HUD OIG lacked a nexus since no HUD funds were being utilized. A referral was made to another law enforcement agency to assume primary responsibility for this investigation. No further actions were warranted by HUD OIG.</p>	Allegation Unsubstantiated
9/30/2018	<p>HUD OIG received a referral from a prosecutor's office alleging violations within HUD's Home Affordable Modification Program (HAMP). The allegations could not be substantiated. Additionally, individuals recommended by an anonymous source to corroborate the allegations could not be properly identified or contacted. This case was closed.</p>	Allegation Unsubstantiated

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9/28/2018	<p>HUD OIG initiated an investigation based on a fugitive felon data matching with the National Crime Information Center (NCIC) and HUD's Public and Indian's Housing system (PIH). The investigation identified 22 fugitive felons that might be residing in public or assisted housing. Out of the 22 fugitive felons, 12 were no longer wanted, 4 were not extraditable, 4 no longer received HUD assistance, 1 was referred to another region, and 1 fugitive was captured. The matter was then referred to the PHA for any action that was deemed necessary.</p>	Successful Prosecution
9/28/2018	<p>HUD OIG initiated an investigation into the activities of a Public Housing Authority (PHA) employee alleged to have been engaging in the unauthorized resale of a PHA property on eBay. The investigation uncovered documentary evidence and the employee confessed. The employee admitted to wrongfully selling the PHA property on eBay that was wrongfully taken, without the PHA's consent. The employee pleaded guilty to one count of 18 U.S.C. § 666, Federal Program Theft and was subsequently sentence to 12 months of probation and ordered to pay \$9,112 in restitution to the PHA.</p>	All judicial actions completed and subject referred to DEC.
9/28/2018	<p>HUD OIG received an anonymous complaint alleging that a HUD Housing Choice Voucher (HVC) recipient had been receiving HUD benefits while fleeing arrest. The investigation determined the recipient had an active warrant and was receiving Section 8 assistance. The matter was then referred to the PHA for any action that was deemed necessary. The HVC recipient was given notice by the PHA of termination of benefits and the HVC recipient was later evicted.</p>	Aministratively Closed

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9/28/2018	<p>HUD OIG received a request for assistance from the Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI), for assistance in an investigation of a tenant in Multi-family Project-based Section 8. The tenant was suspected to be part of an international theft ring and the importation of illegal controlled substances since 2007. It is suspected that the activity was being coordinated and conducted in the subsidized residential unit. The findings of this investigation were referred to the U.S. Attorney's Office but was declined for prosecution.</p>	Prosecution Declined
9/28/2018	<p>HUD OIG received a referral alleging that a former tenant failed to report their actual income during a Public Housing Authority's (PHA) annual certifications. The investigation confirmed the undisclosed income. The tenant was charged with and pled to Forgery, attempt to influence a public official, and ordered to pay restitution in the amount of \$10,299.</p>	Successful Prosecution
9/28/2018	<p>HUD OIG received a referral alleging that a loan originator falsely certified that a Federal Housing Administration (FHA) loan met HUD requirements and the seller of the property, a real estate professional, knowingly caused false documents to be included in the loan file. The investigation determined that the loan failed to meet underwriting standards. No evidence could be found to firmly establish if the seller was involved. A referral was made to HUD for consideration of administrative sanctions. HUD declined to take action. The case was closed without further action.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
9/28/2018	<p>HUD OIG initiated an investigation based upon reviewing a HUD OIG audit report of HUD's recovery of Federal Housing Administration (FHA) partial claims. The audit identified FHA loans with partial claims serviced by two direct endorsement lenders where the first mortgages were paid off (terminated) in fiscal year 2015, without repayment of partial claims. HUD's regulations require the servicer to notify HUD about the upcoming first mortgage payoff by requesting the partial claim payoff amount. The investigation determined that despite the lenders failure to notify HUD as required, the debts were transferred to HUD for collection. HUD was able to subsequently collect the partial claim amount due from either the borrower or lender for some of the partial claims. Due to HUD collecting some of the partial claims and pursuing collection for the others, no further investigation is warranted and this case is closed.</p>	Administratively Closed
9/27/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a contractor defrauded homeowners that were awarded Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM) grant funds following Hurricane Sandy. The contractor was hired by RREM grant recipients to make repairs and elevate their homes in storm-impacted communities throughout NJ, but failed to complete the work. The investigation determined that the referring law enforcement agency declined to provide HUD OIG pertinent victim interviews and reports, limiting HUD OIG's ability to investigate the allegations. The case was administratively closed.</p>	Administratively Closed

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9/27/2018	<p>HUD OIG received a Whistleblower's Protection Act (WPA) complaint alleging that a former employee of an organization was terminated for having knowledge and/or disclosing information regarding her former supervisor's behavior involving clients. The investigation did not reveal evidence that the complainant would have been terminated by her employer regardless of the protected disclosures she made. The matter was furnished to Office of Legal Counsel for final review.</p>	<p>Whistleblower case that OLC stated it failed to make a disclosure under Section 4712. Criminal Case is being worked out of 2016SE001464I</p>
9/27/2018	<p>HUD OIG received a referral from a Homeownership Center (HOC) a bank alleged that a borrower on a FHA insured loan might have been a straw buyer. There were a number of misrepresentations in the loan file. The property was purchased in May 2009 for \$37,000. The borrower purchased the property for \$355,000 in November 2010. The property was located in an area that has been plagued with several instances of mortgage fraud. The case was declined for prosecution by the state's Attorney General's Office.</p>	<p>Prosecution Declined</p>

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9/27/2018	<p>HUD OIG was contacted by the U.S. Department of Agriculture (USDA) OIG for assistance regarding a section 8 tenant and her husband. Although the tenant and her husband lived together in a project-based Section 8, the husband's income related to his ownership of two grocery stores was not divulged to management. Further, it appeared that the tenant was aiding her husband in the trafficking of food stamps and other illegal substances. The Section 8 tenant pleaded guilty and was sentenced to 5 years of probation and ordered to pay \$38,226 in restitution. One additional defendant pleaded guilty to wire fraud on USDA charges and sentenced to 8 months incarceration, 3 years of probation, and ordered to pay \$189,567 in restitution.</p>	Successful Prosecution
9/26/2018	<p>HUD OIG received a referral from HUD alleging that a borrower who received a Home Equity Conversion Mortgage, to repair their residence, was over charged by the contractor for the repairs that were completed. The contractor was supplied by the loan originator. The Investigation was unable to substantiate allegations.</p>	Allegation Unsubstantiated
9/26/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) alleging that one of its employees may have embezzled rental proceeds for personal use. The investigation determined that the PHA employee had stolen and converted \$985 in rental proceeds to personal use. The PHA employee was subsequently charged and convicted on two counts of larceny and ordered to repay \$985.</p>	Successful prosecution

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9/25/2018	<p>HUD OIG received information that a FHA lender submitted fraudulent documents in order to meet HUD requirements. The OIG proved that the lender submitted false financial statements between 2013 and 2016 in order to meet the \$1 million net worth requirement. The subject pled guilty to 4 counts of False Statements to HUD in US District Court and was sentenced to 1 year probation with 6 months home detention.</p>	Successful Prosecution
9/25/2018	<p>HUD OIG received information which involved loans that were insured by the Federal Housing Administration (FHA) for over several years. The loans have material defects because the lender is falsifying the Closing Disclosure to hide the fact they are actually making cash loans to the borrowers. This investigation was declined for prosecution.</p>	Prosecution Declined
9/25/2018	<p>HUD OIG initiated an investigation based on fugitive felon data matching with NCIC and HUD's Public and Indian's Housing system (PIH). The investigation identified PIH tenant violators. Referral letters were sent to Public Housing Authorities (PHA) for the relevant tenants.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
9/24/2018	<p>HUD OIG received information from a States Attorney's Office alleging that a borrower, who is also a real estate broker, filed numerous false "Satisfaction of Mortgage" documents directly associated to her own residence. The borrower then applied for, and received additional mortgages that were "cash-out" refinance loans on her primary home that included a Federal Housing Administration (FHA) insured mortgage. In an effort to facilitate the FHA-insured refinance, the borrower instructed the owner of a moving company to fill out a Verification of Employment (VOE) form that showed the borrower had been gainfully employed with the company and earned \$6,000 per month when in reality she was never employed by the moving company. The borrower was charged and pled guilty to Forgery. The borrower was sentenced to 24 months probation and 120 hours of community service.</p>	Successful Prosecution
9/24/2018	<p>This investigation was initiated based on information from HUD's Office of Public and Indian Housing that alleged a non-profit group affiliated with a Public Housing Authority (PHA) started by the former Executive Director (ED), obtained loans for mortgages from a local bank in order to purchase four properties that were to be leased to Section 8 tenants. The non-profit group was started by the PHA's former ED and the non-profit group purchased the properties using PHA funds as collateral to the bank. A new ED was hired and realized that the properties were causing financial distress upon the PHA and contacted HUD. The four properties ultimately ended up in foreclosure and were eventually resold. The non-profit was dissolved. The findings were presented to the State's Attorney's Office and the case was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
9/21/2018	<p>HUD OIG received a referral alleging that a senior HUD official engaged in retaliatory actions as a result of an employee submitting a resignation. The investigation corroborated the allegations and determined that the violations were not of a criminal nature. Disciplinary action was taken against the HUD official.</p>	Employee Action
9/18/2018	<p>HUD OIG received a referral from a HUD OIG regional office that alleged the subject mailed a false loan payoff to a lender on behalf of a borrower for a property. The investigation revealed the subject attempted to pay off the mortgage using an International Bill of Exchange (IBOE) in the amount of \$150,000, and that the loan in question was insured by the Federal Housing Administration (FHA). According to HUD systems, the subject property has been foreclosed upon, but no claim has yet been filed with HUD. Unpaid principal balance on the FHA loan was approximately \$111,951. It is unknown at this time if other borrowers/properties are involved in this scheme. Three additional properties were identified in the same scheme. The subject was not prosecuted due to lack of losses attributable to HUD.</p>	Administratively closed due to declination and subject is a borrower so know DEC (administrative action) referral needed.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
9/17/2018	<p>HUD OIG received a referral from HUD alleging that a certified HUD housing counselor and vice president of a HUD approved housing counseling agency defrauded numerous homeowners under the guise that he was assisting them with foreclosure and mortgage assistance. The investigation determined that the counselor falsified paperwork, stole homeowners' mortgage payments, and extracted large payments from homeowners in a falsely claimed effort to unsuccessfully save their homes from foreclosure. As a result of this fraud, these homeowners were defrauded out of tens of thousands of dollars and many lost their homes. The housing counselor was sentenced to 60 months in prison and ordered to pay \$611,740 in restitution for his earlier guilty plea to Mail Fraud.</p>	Successful Prosecution
9/17/2018	<p>HUD OIG received a referral alleging that a Public Housing Authority (PHA) board changed a Request for Proposal after the board had already scored the potential contracts for their legal services. There were also allegations that the Executive Director (ED) changed his time and attendance records to reflect that he was present at work, when he was not. The investigation determined that the ED may have given himself more money for a payout of annual leave than was warranted. The other allegations could not be substantiated.</p>	Prosecution Declined
9/17/2018	<p>HUD OIG received a referral from a community action corporation alleging possible bankruptcy fraud on the part of a tenant /owner. The investigation determined that the matter had been financially settled internally by the complaining community action corporation. The allegation and findings were presented for prosecution and were declined for prosecution.</p>	Prosecution Declined

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9/12/2018	<p>HUD OIG received a complaint alleging that recipients of the Emergency Solutions Grant and Continuum of Care Grant were violating HUD programs and funding regulations. The complainant stated that a municipality's program and a State agency program were sending addicts to unlicensed drug rehabilitation clinics from one jurisdiction to other cities with HUD funds. The investigation did not reveal any evidence to support these allegations, however, approximately \$46,000 in ESG funds for ineligible employee travel was identified and resolved by HUD OIG Office of Audit.</p>	<p>Allegations not substantiated. Ineligible expenses for employee travel resolved by HUD OIG Office of Audit. No additional criminal, civil, or administrative action required.</p>
9/12/2018	<p>HUD OIG received a referral from an employee at a Housing Commission alleging that the former Executive Director (ED) used his position to obtain the deed for a house owned by an applicant for HUD subsidy in exchange for a subsidized apartment. It was further alleged the ED mishandled the waitlist in favor of the applicant. The investigation determined the home was transferred to a defunct non-profit controlled by the ED but that no preferential treatment was given to the applicant. This investigation was closed.</p>	<p>Prosecution Declined</p>

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9/10/2018	<p>HUD OIG conducted a proactive investigation after a review of Federal Housing Administration (FHA)-insured loans originated by a lender revealed numerous loans went into default shortly after origination and resulted in claims to FHA. The review also revealed that the same builder, seller, and title company were consistent in the defaulted loans. The investigation revealed that the lender and the title company are subsidiary companies of the builder. An initial sample of loans was identified based on early default criteria. A review of the sampled loans and third party employment/income verification did not reveal any information to indicate fraud. Criminal prosecution was declined by the U.S. Attorney's Office (USAO) and civil/administrative remedies were not feasible.</p>	<p>Investigation complete. Criminal prosecution declined by the USAO and civil/admin actions not warranted.</p>
9/10/2018	<p>HUD OIG initiated an investigation as a spin-off from another investigation. The complainant filed a Qui Tam lawsuit for violations to the False Claims Act. The complaint alleged that two banks promoted the inflation of appraisal values and lied to HUD, Freddie and Fannie Mae as to the seller concessions made and actual value of REO properties. The investigation determined that one of the banks had not submitted any claims to HUD in the past two years and as a result this investigation was closed.</p>	<p>No new information identified to justify opening investigation.</p>

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9/10/2018	<p>HUD OIG received information from a Public Housing Authority (PHA) that alleged a Housing Choice Voucher (HCV) recipient had been fraudulently receiving HCV benefits since 2002. Specifically, the PHA alleged the tenant became a joint owner of the subsidized property with her mother approximately two years after moving into the HCV unit. The tenant advised the PHA that her mother was actually her aunt and not her mother. The tenant never disclosed ownership interest in the property. The investigation showed that the landlord of the property was the tenant's mother and that the tenant has failed to disclose the true ownership of the property. The tenant was terminated from the program but the States Attorney's Office declined prosecution.</p>	Prosecution Declined
9/5/2018	<p>HUD OIG received a referral from HUD alleging that false documents were found in some loans originated by a lender. The investigation revealed that from approximately June 2007, through late 2008, multiple loan officers from the lender, submitted fraudulent documentation to lenders in order to qualify borrowers who were actually unqualified. A former Loan Officer and straw buyer recruiter pled guilty to wire fraud in connection with the fraudulent origination of over \$2.1 million in mortgages which resulted in over \$1.1 million in insurance claims to the Federal Housing Administration (FHA) and \$623,000 in losses to financial institutions.</p>	All judicial actions complete. Case closed.

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9/5/2018	<p>HUD OIG received a referral from the U.S. Attorney's Office requesting investigative assistance relating to the findings of a HUD OIG Audit. Specifically, there was interest to further review the Housing Quality Standards (HQS) inspections of Section 8 subsidized units completed by a local Public Housing Authority (PHA). This investigation did not support pursuing criminal or civil charges and the U.S. Attorney's Office declined prosecution.</p>	Prosecution declined
9/4/2018	<p>HUD OIG received a referral alleging a HUD employee was viewing pornography on a government computer. The investigation determined that the HUD employee's computer contained sexually explicit material. The HUD employee was given a 3 day suspension.</p>	Employee Action
8/30/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a contractor defrauded homeowners that were awarded Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM) grant funds following Hurricane Sandy. The contractor was hired by RREM grant recipients to make repairs and elevate their homes in storm-impacted communities throughout NJ, but failed to complete the work. The investigation determined that the referring law enforcement agency declined to provide HUD OIG pertinent victim interviews and reports, limiting HUD OIG's ability to investigate the allegations. The case was administratively closed.</p>	Administratively Closed

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8/30/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a homeowner misrepresented their primary residency and was awarded \$10,000 in Housing Resettlement Program (RSP) and \$150,000 in Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) funding. The findings of the investigation were declined for prosecution by the NJ Attorney General's Office after investigators determined the targets did not intentionally commit a crime.</p>	Prosecution Declined
8/30/2018	<p>HUD OIG received a referral from a local Public Housing Agency (PHA) alleging that a tenant and a spouse had failed to report income resulting in an overpayment of rental assistance subsidies. The investigation determined income was not reported as required for program participation, resulting in an \$87,000 loss to the PHA. The case was presented but was declined for prosecution.</p>	Prosecution Declined
8/30/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) attorney alleging that a city commissioner had received payroll checks from the PHA without any support for work provided. The investigation determined that the commissioner was paid using funds from the Low Rent Operating Fund Program. However, the hiring of the city commissioner passed through appropriate channels. The matter was referred to HUD OIG's Office of Audit.</p>	Closed By Referral

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8/30/2018	<p>HUD OIG received a referral from an anonymous source alleging an interim Executive Director (ED) of a Public Housing Authority (PHA) was working as a real estate agent in conflict with her time as ED. The investigation confirmed the ED does hold a realtor's license and the ED showed properties without taking appropriate leave. However, it was noted during the investigation that there was not a system in place to request leave and as a salaried employee, the pay remained the same regardless of leave. Additionally, the board chairman informed that he was aware of the ED's real estate license and activities and did not have a problem with it. This case was administratively closed.</p>	Administratively Closed
8/29/2018	<p>HUD OIG received a referral from a Section 8 administrator alleging that at least four dozen families applied for Section 8 vouchers in a county that they didn't reside in for the purpose of porting the vouchers after the minimum one-year residency requirement was met. The investigation determined that the families met the requirement for residency for one year and acknowledged that the families then ported the vouchers. While the spirit of the portability program might have been violated, there was no evidence that wrongdoing occurred.</p>	Administratively Closed

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8/29/2018	<p>HUD OIG initiated a case based on information obtained from another Federal Housing Administration (FHA) mortgage fraud case. The information alleged that a builder and other conspirators were involved with a builder buyout fraud scheme. The builder and others allegedly supplied both the down payments and kickbacks to the straw buyers of their properties. Seventeen (17) individuals were convicted in this conspiracy. Multiple houses, lots, an entire townhome complex, and an international property were forfeited and/or seized. The individuals received sentences that ranged from 8 months probation to 66 months incarceration. They collectively were ordered to pay restitution in the amount of over \$9.6 million and over \$16 million in forfeiture.</p>	<p>All judicial actions completed and all administrative actions have been referred</p>
8/29/2018	<p>HUD OIG received an anonymous Hotline complaint that alleged a lender was submitting inflated or fraudulent bills to the Government National Mortgage Association (GNMA). The Complaint further alleged the portfolio serviced by the lender was nearly half the size it was in 2014, yet the lender continues to bill GNMA for nearly \$7 million per month in servicing fees and costs. The investigation failed to substantiate the allegations. Prosecution was declined by the U.S. Attorney's Office.</p>	<p>Allegations not substantiated and prosecution declined by USAO. Case closed.</p>

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8/28/2018	<p>HUD OIG received a referral from a law enforcement agency on a proactive matter involving the administration of HUD's Community Development Block Grants (CDBG). The investigation resulted in the indictment and conviction of a city councilman for taking bribes to influence HUD related projects. The councilman was sentenced to one month of incarceration, three months in a halfway house, eight months of home detention, and the return of \$66,225 in bribe payments that he had received.</p>	Successful prosecution
8/24/2018	<p>HUD OIG compared subsidized housing recipient data against the National Crime Information Center (NCIC) wanted person file. Confirmed hits were referred to the appropriate Public Housing Authority (PHA) for possible administrative action. As a result, twenty-three (23) tenants were found to be receiving housing subsidies while having an active warrant, and were referred to the PHA for program removal consideration. This investigation was administratively closed.</p>	Administratively Closed
8/24/2018	<p>HUD OIG received an allegation that a former Executive Director (ED) was stealing tenant payments. The allegation also suggested that a tenant was committing fraud by providing false annual certifications. The investigation determined that one money order in the amount of \$199 was converted to the use of the former ED. The tenant provided false certifications on two annual questionnaires resulting in a loss of \$2,832. The case was declined prosecution.</p>	Prosecution Declined.

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8/21/2018	<p>HUD OIG received a referral from the Internal Revenue Service, Criminal Investigation Division (IRS CID) alleging that a borrower, who was an IRS Revenue Agent, made false statements and submitted fraudulent documents to obtain a Federal House Administration (FHA)-insured mortgage. The investigation revealed that the IRS employee supplied false information and documents in order to qualify for a modification on a FHA-insured mortgage loan. The borrower fell behind on the mortgage payments and obtained a modification agreement with the lender. The borrower supplied false information by stating that the FHA insured property was a primary residence while simultaneously residing at a different property. The findings of this investigation were referred to the U.S. Attorney's Office but was declined for prosecution.</p>	Prosecution Declined
8/21/2018	<p>This investigation was initiated based on a news story by a local news station. The news story showed Public Housing Authority (PHA) employees covertly working on a multi-family property during a government contracted inspection. The investigation determined that it was a long standing practice for the PHA to covertly use employees to travel ahead of the government contracted inspector the day of the official inspection in order to repair only the specific units that were selected for the review. The inspections were conducted as a part of a scoring system that allowed the PHA to receive extra government funding for being a high performer. The top three senior employees resigned from their positions and two were charged and pled guilty in U.S. District Court. Both convicted employees received one year probation and a \$500 fine.</p>	Successful Prosecution

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8/21/2018	<p>HUD OIG received a referral of an active fire investigation being conducted by a city fire department of a Housing Choice Voucher subsidized residence. The investigation determined that the tenants conspired with the landlord to receive continued Housing Assistance Payments (HAP), including an increase to the payments, after the residence was uninhabitable due to the fire damage. Four individuals were charged criminally on various violations of law, to include defrauding a Public Housing Authority (PHA). One of the four individuals were ordered to pay restitution to the PHA and charges were dismissed against the three other subjects.</p>	Successful prosecution.
8/21/2018	<p>HUD OIG received a referral from an anonymous complainant alleging that a registered sex offender was an unauthorized live-in at a HUD supported residence. In addition, the complaint alleged unreported income in the household. The investigation confirmed that the sex offender was residing at the subsidized home, and the facts were reported to the applicable Public Housing Authority (PHA) for them to take action as deemed appropriate. The case was presented to a prosecutor and was declined.</p>	Prosecution Declined

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8/20/2018	<p>HUD OIG received a referral alleging that a Section 8 Rental Assistance Program participant failed to report income earned as a limo driver to the Public Housing Authority (PHA). The investigation substantiated the allegations and determined that the participant had been defrauding another federal and a state agency. The participant was subsequently charged with Theft and Defrauding a PHA, plead guilty and was sentenced. The participant was sentenced to 60 months of probation and ordered to pay restitution to HUD in the amount of \$44,250 as a result of having rental assistance benefits paid on his behalf that he was not entitled to receive.</p>	Successful prosecution
8/17/2018	<p>HUD OIG initiated an investigation to search for registered sex offenders receiving HUD public housing benefits. The investigation identified three fugitive felons that were referred to the housing authority, after which one of the felons were removed from the housing assistance program. The housing authority chose not to take action on the other two fugitive felons.</p>	Administratively Closed
8/16/2018	<p>HUD OIG received a referral from the FBI alleging a Federal Housing Administration (FHA) borrower's builder falsified HUD Form 92541, Builder's Certification. The Builder certified that the borrower's house was not built using fill dirt and was not in a Special Flood Hazard Area. Allegedly, the borrower and at least 18 other homeowners' homes were built in the Special Flood Hazard Area and have had severe foundation damages as a result. Information was referred to HUD's Office of General Counsel on August 14, 2018, for Program Fraud Civil Remedies Act (PFCRA) consideration.</p>	AUSA Declined case for prosecution, Case is being referred to HUD OGC for PFCRA actions

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8/16/2018	<p>HUD OIG received a referral from another federal agency alleging that a married couple was defrauding HUD's Section 8 Rental Assistance Program by not disclosing the income and residency of the husband to the housing authority. The investigation substantiated the allegation. The case was declined for prosecution due to statute of limitation concerns.</p>	Prosecution declined
8/15/2018	<p>HUD OIG initiated an investigation into allegations that a HUD approved counseling agency submitted reimbursement requests for ghost clients from 2009-2012. The investigation revealed that the owner/director submitted reimbursement requests in January 2013, to a Housing Finance Corporation for housing counseling services she claimed to have performed. However, the investigation revealed that these reimbursement requests were submitted after she closed the business in November 2012. The total amount paid to the Housing Finance Corporation in January 2013 was \$105,100. As a result, the owner of the housing counseling agency was sentenced to 18 months imprisonment, 36 months of probation, and ordered to pay \$105,100 in restitution.</p>	All actions entered.
8/15/2018	<p>HUD OIG received a referral from HUD alleging that a HUD-approved multifamily housing manager may have used "ghost tenants" at one of the housing developments that he managed. The investigation determined that the alleged acts exceeded the statute of limitation for prosecution and that there was no evidence to support that the violations had continued after the expiration of the statute.</p>	Administratively Closed

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8/14/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a Housing Choice Voucher (HCV) recipient failed to notify the management agent of her true income. The investigation substantiated the allegations. The subject was charged with theft of funds and sentenced to serve 24 months of probation and ordered to make restitution in excess of \$41,000.</p>	Successful Prosecution
8/13/2018	<p>HUD OIG received a referral alleging that a Housing Choice Vouchers (HCV) program recipient applied for and received a voucher from a city's Section 8 Program and it was believed the recipient never resided in the property where they reported to live. The investigation determined that the subject property remained unoccupied during the time the recipient was receiving housing assistance. The recipient was sentenced to 6 days incarceration, a fine of \$1,800 and was ordered to pay restitution in the amount of \$4,350.</p>	Successful Prosecution
8/13/2018	<p>HUD OIG received a referral alleging that a former Section 8 tenant sublet their unit for at least one year. There was also indications that the landlord may have been involved. The investigation confirmed that the tenant sublet her apartment. The tenant was convicted of attempted housing assistance fraud.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/10/2018	<p>HUD OIG received a referral from HUD alleging a short sale fraud scheme involving a seller, purchaser, and a third party real estate company. The borrower short sold the property for \$58,000 to the purchaser who then flipped the property in less than 30 days for \$121,125 resulting in a profit of \$63,125. The investigation confirmed the sale of the property and other properties but found no evidence that the seller received a kickback from the purchaser or third party real estate company.</p> <p>The investigation revealed a business relationship between the purchaser and the third party real estate company that was not fully disclosed to several of the lending institutions involved. Additionally, it was discovered that commissions were paid to individuals involved on many of the real estate transactions that the sellers, end buyers, and lenders involved were not aware of. The case was declined for prosecution. The case was referred to the state's real estate commission for potential administrative action for the alleged regulatory violations.</p>	Closed By Referral
8/10/2018	<p>HUD OIG received a referral alleging an employee of a HUD grantee utilized their position as bookkeeper to steal money. The investigation determined that the bookkeeper used the grantee credit cards and debit cards to purchase gift cards, which were then used for personal expenses. The bookkeeper was sentenced in federal court to one year and one day incarceration and was ordered to pay \$130,973 in restitution.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/10/2018	<p>HUD OIG received a referral from HUD alleging that a multifamily project had annual re-certifications that were missing tenant signatures and had improperly documented or recorded rent receipts. The investigation determined that the on-site multifamily project's management failed to properly recertify the tenants on at least an annual basis, including not allowing the tenants to see the re-certification paperwork and sign that the information was correct. It was also determined that similar improper activities took place at other multifamily properties, also owned and managed by the same company. This investigation resulted in civil remedies, ordering the company to pay \$250,000.</p>	Successful Prosecution
8/9/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a contractor defrauded homeowners that were awarded Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM) grant funds following Hurricane Sandy. The contractor was hired by RREM grant recipients to make repairs and elevate their homes in storm-impacted communities throughout NJ, but failed to complete the work. The investigation determined that the referring law enforcement agency declined to provide HUD OIG pertinent victim interviews and reports, limiting HUD OIG's ability to investigate the allegations. The case was administratively closed.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/9/2018	<p>HUD OIG received information alleging that a Real Estate and Credit Firm was engaging in short sale frauds. The subject obtained titles to properties through fraud and attempted to sell the properties to other individuals without their knowledge of the clouded titles. The investigation determined that on at least one occasion the subject sold a property to two different buyers but only recording one deed. The investigation also determined that the subject obtained funds from individuals for the purpose of purchasing, rehabilitating, and reselling real estate. On some occasions the individuals recovered their money from the subject but on other occasions they did not. Criminal prosecution was declined by the U.S. Attorney's Office. The subject is not a licensed real estate industry professional, so administrative referrals were not feasible.</p>	<p>Investigation complete. Criminal prosecution declined by the USAO. Civil and Administrative remedies not feasible.</p>
8/9/2018	<p>HUD OIG received a referral from a prosecutor's office alleging that a Federal Housing Administration (FHA) Direct Endorsement lender improperly certified that they were following all FHA rules and regulations, when originating and underwriting single family loans. The investigation identified underwriting deficiencies, however, these instances did not warrant False Claims Act consideration. The prosecutor declined prosecution.</p>	<p>Prosecution Declined</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/8/2018	HUD OIG received a referral alleging an Executive Director (ED) of a tribal Housing Authority (HA) provided HA funded credit cards to Tribal and Housing board members and placed his own children ahead of others in HA low rent units. The investigation was unable to substantiate allegations.	Allegation Unsubstantiated
8/8/2018	HUD OIG received a referral alleging two HUD employees forged their supervisor's signature on HUD documents, which enabled grantees to receive grant funds. The investigation confirmed the allegations. One employee received a suspension and the other employee was fired.	Employee Action
8/7/2018	HUD OIG received a referral from a Public Housing Authority (PHA) alleging that an employee embezzled tenant rents. The investigation substantiated the allegations. The subject was charged with larceny and forgery and ordered to pay restitution to the PHA.	Successful Prosecution
8/7/2018	HUD OIG received a referral from another federal law enforcement agency alleging that an illegal immigrant purchased both a Federal Housing Administration (FHA) insured loan and a HUD Real Estate Owned (REO) property, using a social security number not assigned to him. The buyer pleaded guilty to making a false statement, aggravated identity theft, and being an illegal alien in possession of a firearm. The buyer was sentenced to 30 months incarceration.	Successful prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/6/2018	<p>HUD OIG received a referral from a former Public Housing Authority (PHA) employee, alleging that the Executive Director (ED) was directing funds to herself through a LLC and mishandled contracts between the PHA and a maintenance company. The investigation determined the ED's compensation was paid from the PHA to a LLC company owned by the ED. There was no evidence found to prove any other violations. This case was declined for prosecution.</p>	Prosecution Declined
8/3/2018	<p>HUD OIG received a referral from a non-profit agency alleging that an unknown individual had stolen numerous housing authority checks and used the banking information to create fraudulent checks that were cashed. The investigation confirmed the check theft and subsequent use of banking information in order to cash them. The investigation determined that only one check was successfully negotiated. Additionally, it was discovered that the individual involved in the check theft was also connected to other financial crimes and was on parole. During the investigation, the individual was arrested for an unrelated theft by another law enforcement agency that resulted in a parole violation. The loss in the check case was minimal to HUD. The case was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/3/2018	HUD OIG received a referral from a law enforcement agency alleging that a management agent of a Federal Housing Administration (FHA) insured multi-family complex stole money. The investigation determined the on-site manager changed the payee on rent checks and money orders prior to cashing or depositing them into accounts controlled by the manager. The manager received a five year suspended sentence and was ordered to pay \$11,035 in restitution to the complex owner.	Successful Prosecution
8/3/2018	HUD OIG initiated an investigation based on fugitive felon data matching with NCIC and HUD's Public and Indian's Housing system (PIH). The investigation identified PIH tenant violators. Referral letters were sent to Public Housing Authorities (PHA) for the relevant tenants.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/2/2018	<p>HUD OIG received a complaint alleging an underwriter stole the identity of a borrower and fraudulently used the identity for her own benefit. The investigation focused on determining if there was a pattern of theft of borrower identities by this underwriter. As additional victims were not able to be identified this matter was declined by the US Attorney's Office (USAO) and referred to local law enforcement.</p>	Case declined
8/2/2018	<p>HUD OIG received a referral from a prosecutor's office alleging that an Executive Director (ED) of a council of governments may have misused federal funds. The investigation did not determine that any HUD funds were misappropriated. However, the investigation did determine that federal block grants were converted to the use of the ED, his wife and daughter. The ED misused his position, the council of governments as an entity, and the council of governments-contracted entity, to approve, conspire, prepare, and submit fraudulent documents to obtain the federal funds. The ED was sentenced to 9 years in federal prison and ordered to pay \$1,326,049 in restitution. The ED's wife and daughter were each sentenced to 4.5 years in prison and ordered to pay \$971,143, jointly.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/2/2018	<p>HUD OIG received a referral from a prosecutor's office alleging accounting irregularities discovered by an interim Executive Director (ED) at a Public Housing Authority (PHA). The investigation determined that the prior ED was utilizing the PHA credit card improperly and was operating a personal business during office hours at the PHA. However, due to a lack of necessary records and witnesses there was not enough evidence to support all of the investigative findings. The case was declined for prosecution.</p>	Prosecution Declined
8/1/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a Community Development Block Grant Disaster Recovery (CDBG-DR) program participant misrepresented their primary residence to officials, in order to fraudulently obtain \$10,000 in Housing Resettlement Program (RSP) funds and \$26,398 in Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM), CDBG-DR funds. The investigation substantiated the allegations. The grantee was charged with Theft by Deception and Unsworn Falsification to Authorities. The grantee received Pre-Trial Intervention, was ordered to pay \$31,479 in restitution, and to complete 12 months probation.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/1/2018	HUD OIG received a referral from a social services agency alleging that a HUD Housing Choice Voucher (HCV) recipient was receiving food stamps for seven different people at her subsidized unit. An investigation revealed the tenant was convinced by another individual to accept the mailings but did not benefit. Findings were presented to the U.S. Attorney's Office and County Prosecutor's Office but was declined for prosecution.	Prosecution Declined
8/1/2018	HUD OIG received a Hotline complaint alleging a HUD technical assistance provider offered to secure money from a donor in exchange for unspecified services. The investigation revealed the technical assistance provider attempted to orchestrate a monetary donation from a community housing group to make up for lost grant funds. This proposal was declined by the community housing group and no funds were ever transferred. The case was subsequently declined for prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
8/1/2018	<p>HUD OIG received a referral from a law enforcement agency alleging possible fugitive felons residing in HUD-subsidized properties. The investigation identified two fugitive felons allegedly residing in HUD-subsidized housing. The warrant information for the individuals was forwarded to the related Public Housing Authority (PHA) for possible removal from program and to the U.S. Marshals task force for possible apprehension. As a result, it was learned that one individual was no longer residing in HUD housing and the PHA did not pursue eviction of the other.</p>	Administratively closed
7/31/2018	<p>HUD OIG received a Whistleblower's Protection Act (WPA) complaint. The complaint alleged that the management of a Public Housing Authority (PHA) did not adhere to guidance from a contractor pertaining to building elevators prior to an October 2016 hurricane that hit Daytona Beach. This resulted in more than \$100,000 in repairs. These repairs were allegedly paid with HUD funds. The complainant alleged he was terminated by the PHA as retaliation after he reported that the PHA did not follow proper procedures to prevent damage to the elevators at two buildings managed by the PHA. The investigation revealed that the complainant was actually terminated for performance and disciplinary reasons.</p>	No further action warranted

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/30/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a contractor defrauded homeowners that were awarded Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM) grant funds following Hurricane Sandy. The contractor was hired by RREM grant recipients to make repairs and elevate their homes in storm-impacted communities throughout NJ, but failed to complete the work. The investigation determined that the referring law enforcement agency declined to provide HUD OIG pertinent victim interviews and reports, limiting HUD OIG's ability to investigate the allegations. The case was administratively closed.</p>	Administratively Closed
7/27/2018	<p>HUD OIG received a referral alleging that a HUD employee recorded a conversation between two other HUD employees without authorization. The investigation corroborated the allegation but the matter was declined for prosecution. The HUD employee retired prior to the closing of the investigation.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/26/2018	HUD OIG received a referral from a Section 8 housing recipient alleging that the landlord charged her more than she was supposed to pay for rent under her Section 8 Tenant based Housing Choice Voucher (HCV) Program, Housing Assistance Payment (HAP) agreement. Upon investigation, a default judgment was filed against the defendant on behalf of the United States of America. The default judgement stated the Court will enter default judgement in favor of the United States for a total of \$587,999.	Successful Prosecution
7/26/2018	HUD OIG received a referral alleging that a HUD OIG employee released information in relation to a FOIA request that was not redacted. The investigation corroborated the allegation and determined the allegation lacked criminality. Disciplinary action was taken against the employee for failing to safeguard information.	Employee Action

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/25/2018	<p>HUD OIG received a referral alleging that the former Executive Director (ED) of a Public Housing Authority (PHA) converted a portion of tenant cash rental payments into her own personal use and used the PHA credit cards to make personal purchases. The investigation determined the ED collected and deposited into her personal bank account tenant rental payments, tenant security deposit refund checks, and made personal purchases on the PHA's credit card at retail establishments, grocery stores, restaurants and fuel service stations. Furthermore, the PHA tenants lived in apartment units that had unsuitable and unsafe living conditions and were non-compliant with HUD's Health and Safety regulations as evidenced in a HUD OIG audit of the housing authority issued in 2015. The ED was sentenced to 60 months of probation and ordered to pay restitution in the amount of \$110,113.</p>	Successful Prosecution
7/25/2018	<p>HUD OIG initiated an investigation base on data matching that identified fugitive felons allegedly receiving HUD housing benefits. The investigation resulted in the referral of 6 fugitive felons to the respective housing agency for proposed evictions.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/24/2018	<p>HUD OIG received a referral from a complainant alleging that an Executive Director (ED) of a Public Housing Authority (PHA) may have been misusing HUD funds. The investigation determined that HUD funds could have been improperly used, but there was minimal evidentiary support and the dollar amount was minimal. Upon referral to HUD program management for their assessment, HUD OIG was advised that HUD had received and was addressing the same allegations. HUD program management believed the improper expenses were best addressed by their management through their administrative means. HUD program management also advised many administrative actions had already been taken.</p>	Closed By Referral
7/20/2018	<p>HUD OIG received a referral from a prosecutor's office containing allegations that a law firm, its subsidiaries, and bank defendants generated excessive charges for foreclosure services. The investigation revealed situations where HUD appeared to be overbilled. The findings were presented to a prosecutor and was declined prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/20/2018	<p>HUD OIG received a referral alleging that contractors conspired to submit false or misleading claims to a City in order to receive Housing Opportunity for Person With Aids (HOPWA) funds. The investigation could not corroborate the allegations. Ultimately, a settlement was reached between the complainant and contractors. HUD OIG confirmed that HUD, the City and the grant recipient were apprised of the situation. All parties acknowledge their satisfaction with the outcome and expenditure of funds.</p>	Allegation unsubstantiated
7/19/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) alleging that (1) tenants might have received a Housing Choice Voucher (HCV) without authorization from the PHA's management, (2) a PHA employee did not deposit tenant rents causing tenants to be wrongfully evicted, and (3) employees had been using the PHA gas card and credit card to purchase materials for their own personal use. The investigation could not substantiate the third allegation and the other two allegations were declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/19/2018	<p>HUD OIG received a referral from HUD regarding a Public Housing Authority's (PHA) potential misuse of grant funds. The investigation determined that there were notable deficiencies in the PHA's processes for maintaining, recording and disbursing grant funds. It was also determined that the former Executive Director (ED) engaged in bid rigging and bribery on several contracts for multiple PHA's over which the ED held control or influence. The ED was sentenced to 37 months incarceration. A contractor involved in the bid rigging was sentenced to 18 months incarceration.</p>	Successful Prosecution
7/18/2018	<p>HUD OIG initiated a proactive investigation in an attempt to identify sex offenders residing in subsidized housing within a particular city. The investigation developed no viable leads and the case was then administratively closed.</p>	Administratively Closed
7/17/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a candidate running for public office underreported their assets, income, and household composition to receive Section 8 benefits they were not entitled. The investigation determined that the tenant properly reported all income and household members, therefore the allegation had no merit.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/17/2018	<p>HUD OIG initiated an investigation from information discovered through another investigation. The investigation revealed that during the servicing process, a Home Equity Conversion Mortgage (HECM) Servicer, routinely failed to obtain a default appraisal within the required timeframe (within 30 Days of the Due & Payable date). Ultimately the HECM Servicer agreed to repay HUD \$409,696 the amount of debenture interest, it was not entitled to receive.</p>	Case closed. Case Settled.
7/17/2018	<p>HUD OIG received a referral alleging that a HUD OIG employee fell asleep during duty hours at an official work site on at least two different occasions. Said employee also reportedly had an odor that was associated with an alcoholic beverage during duty hours. The investigation confirmed the sleeping allegation and the matter was referred to the employee's supervisor for administrative action. The employee received a 10 day suspension.</p>	Employee Action
7/16/2018	<p>HUD OIG initiated an investigation to proactively monitor and provide assistance to the wildfire task force, in particular to identify any false disaster-related claims against HUD. The investigation determined that the wildfire devastated mostly rural areas and HUD programs were not impacted.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/13/2018	<p>HUD OIG received a referral alleging that a former Executive Director (ED) for a Public Housing Authority (PHA) was suspected of stealing funds from the PHA. The ED required tenants to make cash repayments, however that cash did not appear to go to the PHA's bank accounts. The ED also ported out a significant part (50%) of the vouchers to other PHAs. The investigation determined that the cash repayments from tenants were collected, but that no documentation, other than the repayment agreement existed. The ED received a pre-trial diversion.</p>	Successful prosecution.
7/13/2018	<p>HUD OIG received a referral alleging a former Executive Director (ED) for a Public Housing Authority (PHA) was stealing tenant rents and laundry income. The investigation determined the ED, who had been a Section 8 tenant, failed to update her income with the PHA. She also accepted cash payments from tenants that were never deposited into the PHA's account. The ED received a pre-trial diversion.</p>	Successful prosecution.
7/13/2018	<p>HUD OIG received a referral alleging unauthorized withdrawals from a Home Equity Conversion Mortgage (HECM) after the HECM borrower had died. The investigation determined that the son of the HECM borrower had fraudulently requested disbursements from the HECM after his mother's death. The son was convicted of theft.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/13/2018	<p>HUD OIG initiated an investigation based on fugitive felon data matching with NCIC and HUD's Public and Indian's Housing (PIH) system. The investigation identified PIH tenant violators. Referral letters were sent to Public Housing Authorities (PHA) for the relevant tenants.</p>	Administratively Closed
7/10/2018	<p>HUD OIG received information from HUD's Office of Community Planning and Development (CPD) alleging that a real estate firm may have obtained a Neighborhood Stabilization Program (NSP) contract through deceptive means and may have misused the grant funds. HUD opined that the contract award did not constitute a conflict of interest under HUD's regulations. The investigation disclosed that the real estate firm paid the subcontractors for the invoices that were submitted to the NSP program. The county's commission removed the real estate firm as the chairman of its county economic development board. A Commissioner was found guilty on three counts of ethical violations when he did not recuse himself from voting on the awarding of \$1.5 million in NSP funds to the real estate firm. The Commissioner was on their payroll and did not disclose the conflict of interest.</p>	<p>Case was declined for prosecution and allegations were unsubstantiated. HUD opined that there was no conflict of interest.</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/10/2018	<p>HUD OIG received a referral from another law enforcement agency alleging that narcotics traffickers who utilized illegal proceeds to purchase real estate were placed on HUD's Housing Choice Voucher (HCV) program. The investigation determined that the drug traffickers obtained a Federal Housing Administration (FHA) loan on a residential property. A review of the FHA loan file determined the loan was obtained by submitting fraudulent income related documentation. There was no dollar loss to HUD. The case was declined for prosecution and the parallel drug investigation was closed.</p>	Prosecution Declined
7/9/2018	<p>HUD OIG received a Whistleblower's Protection Act (WPA) complaint from the Hotline alleging an employee was retaliated against for making a complaint to HUD OIG. It further alleged that the Director of a Public Housing Authority (PHA) was able to determine the identity of the complainant and targeted, harassed, and eventually terminated the complainant. A report of finding was delivered to the HUD Secretary's Office. The Secretary found no retaliation.</p>	<p>Whistleblower case that was presented to HUD Secretary and HUD's Secretary responded denying any relief to the complainant through HUD. Criminal allegations are being handled in sister case.</p>
7/9/2018	<p>HUD OIG received a referral from a complainant alleging conflict of interest and contract fraud regarding a Public Housing Authority (PHA) hiring former employees as contractors to its non-profit to conduct its Section 8 inspections. It's also alleged that the former employees created the non-profit while working for the PHA. The investigation was unable to substantiate the allegations.</p>	Allegations Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/5/2018	<p>The HUD OIG received a complaint from a Homeownership Center (HOC) alleging a borrower may have falsified documents in order to obtain a Federal Housing Administration (FHA) insured loan. The complaint revealed that a search warrant was served for bank records pertaining to the borrower. After a cursory review, it was determined that a local police department served the warrant. It appeared that the borrower falsified records in order to receive state benefits, down payment, and mortgage in order to purchase a new home. The down payment was provided by a State Housing Finance Agency, a HUD funded agency. Case was declined by the State's Attorney Office.</p>	Prosecution Declined
7/3/2018	<p>HUD OIG received a referral from HUD alleging that an employee had been viewing pornography on their government issued computer. The investigation substantiated the allegation and also determined that the employee was running a personal for-profit business using his issued computer, phone, e-mail, and HUD logo. HUD proposed his termination but the employee retired in lieu of termination.</p>	Employee Action
7/3/2018	<p>HUD OIG received a referral from a Homeownership Center (HOC) alleging an individual purchased a home as "owner-occupant" but failed to reside in it per HUD guidelines. It was further alleged that the purchaser rented the property to someone else. The investigation showed the borrower rented the property immediately after purchasing it and falsified records when HUD inquired as to his residency to cover it up. HUD OIG referred the investigative findings to HUD's Legal counsel for potential civil remedies. A civil settlement was reached with the borrower in the amount of \$10,000.</p>	Repayment in Lieu of Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
7/3/2018	<p>HUD OIG received a referral from an employee of a Public Housing Authority (PHA) alleging another employee was suspected of negotiating checks received for court-ordered restitution. The employee alleged that shortly after the checks were discovered, an intern was directed to destroy the corresponding files. The investigation revealed that the checks in question were negotiated correctly and credited to the PHA's account.</p>	Prosecution Declined
7/2/2018	<p>HUD OIG received a referral from a prosecutor's office alleging that a Federal Housing Administration (FHA) Direct Endorsement lender routinely underwrote FHA loans that do not comply with the fundamental requirement as to the borrower's minimum required investment (MRI) and that if FHA had known of the noncompliance, FHA would not have approved the loans for mortgage insurance. The alleged amounts paid by the seller to the borrower for accrued real estate taxes were included as part of the borrower's required MRI at closing. The investigation conducted substantive document review and interviews designed to corroborate the claims and couldn't find evidence to support the allegations. DOJ declined to prosecute.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/29/2018	<p>HUD OIG obtained information from the U.S. Attorney's Office in response to a Qui Tam action. The relator was employed by a local bank as a manager and supervised an underwriting team during the time of April 2016 through September 2016. During this time period, the relator alleged that at least two (2) loans, one residential and one commercial, were approved by upper management after he and/or his team denied the loans for approval after discovering discrepancies contained in the loan documents. After further investigation, it was determined that the two loans were performing and no loss amount had been incurred. In addition, the one residential loan was not Federal Housing Administration (FHA) insured. The U.S. Attorney's Office declined to pursue this matter further.</p>	Prosecution Declined
6/29/2018	<p>This investigation was initiated based on a proactive discussion related to HUD's Community Planning and Development (CPD) and Public and Indian Housing (PIH) program's Energy Performance Contracts. The investigation was inadvertently opened based on a misunderstanding during the discussion. The investigation was closed without investigative action.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/28/2018	<p>HUD OIG received a Hotline complaint from an individual who works for a state government authority and made numerous allegations in which he alleged an airline ticket was purchased for the spouse of a Public Housing Authority (PHA) Commissioner in 2016. The complainant alleged that the PHA stored numerous boxes of documents containing Personal Identifiable Information (PII) in a garage bay which was not always secured. The complainant also made allegations regarding violations of Section 8 rules, regulations in the management of the Family Self-Sufficiency (FSS) program and violations of the Section 8 waiting list. The investigation determined that the PHA Commissioner purchased his spouse an airline ticket in 2016 and that the purchase was not an allowable expense under federal regulations, however, the funds for the airline ticket were repaid to the PHA by the Commissioner shortly thereafter. The investigation also determined that the PHA did, in fact, store numerous boxes of documents containing PII in a garage bay which was not always secured. The documents appeared to be beyond the normal record retention period. A referral was sent to HUD's Office of Public and Indian Housing (PIH) to determine if the PHA was in compliance with HUD's PII guidelines. The remaining allegations were unsubstantiated. This investigation was declined for prosecution.</p>	<p>Investigation complete. Criminal prosecution declined, and the matter was referred to HUD PIH for administrative action.</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/27/2018	<p>HUD OIG received a referral from a tribal police department alleging that a tenant's rent payments were stolen. An audit was conducted by a Certified Public Accountant (CPA) firm for the period of October 2011 to October 2012. The audit revealed numerous findings with regard to tenant collection; review procedures; segregation of duties to Housing Data Systems (HDS); Missing Batch Report; manual receipts; HDS monthly adjustments; lack of documented bank deposit procedures; segregation of duties in relation to bank deposits; daily deposit; missing deposit slips; payroll deduction checks not being deposited; deposits to the wrong bank account; lack of documented general ledger procedure; segregation of duties in relation to general ledger; great plains deleted user activity; and general ledger recording. The cash shortage finding equaled \$44,584. This investigation was declined for prosecution.</p>	Prosecution Declined
6/27/2018	<p>HUD OIG received information from a county investigator regarding a Section 8 tenant. The investigator stated that the Section 8 tenant was not reporting her actual income in order to receive food stamps and Section 8 housing in which she is not entitled. It was determined that HUD OIG and the county would conduct a joint investigation into these allegations. The tenant agreed to a plea deal and accepted a Pretrial Diversion (PTD) with 20 hours of community service and \$2,691 in restitution.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/27/2018	HUD OIG received a referral from a HUD employee alleging that another HUD employee solicited prostitutes in a bar while on official government travel. The investigation determined the allegations were unsubstantiated. Prosecution was declined.	Prosecution declined.
6/27/2018	HUD OIG received a referral from a Housing Choice Voucher (HCV) recipient alleging to have owned and operated a local market using her brother's name as owner of the store. The tenant failed to report the income to the Public Housing Authority (PHA) and other federally and state funded programs causing an estimated \$100,000 loss to the federal government. The investigation confirmed the unreported income and false statements to the PHA. The tenant was charged and convicted of Theft of Public Funds.	Successful prosecution.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/26/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) alleging that a Section 8 Landlord was leasing apartments to his family members who received Section 8 benefits through the same PHA. The investigation substantiated the allegations. The Section 8 landlord entered into a civil settlement with the government and agreed to pay \$100,598 and voluntarily agreed to a three-year debarment.</p>	Successful Prosecution
6/25/2018	<p>HUD OIG conducted a proactive investigation to address a potential short sale rescue scheme. The investigation determined that there was a crime and a loss to the Federal Government. The investigation was presented to the U.S. Attorney's Office and accepted. The subject of the investigation pled to one count of Bankruptcy Fraud and one count of Equity Skimming. The subject was ordered to serve 13 months of incarceration, 36 months of probation, and pay restitution in the amount of \$90,070 to the Federal Housing Administration (FHA).</p>	All actions entered case closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/22/2018	<p>HUD OIG received a Hotline complaint alleging an Executive Director (ED) of an entity that administers HUD programs, failed to report knowledge of fraud, waste, and abuse of HUD funds, committed by the maintenance supervisor. The investigation determined that over a three year period, the maintenance supervisor used his position to conduct actions that violated the code of employee conduct and for his personal benefit. The conduct was eventually reported by another employee and they were able to stop several of the wrongdoings from occurring. Additionally the investigation determined that an internal investigation was conducted and did not find any financial losses that could be quantified as a result of the actions. The case was declined for prosecution.</p>	Prosecution Declined
6/21/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that subjects who considered themselves sovereign citizens, engaged in a false debt elimination scheme by convincing financially troubled homeowners that they could legally eliminate their debt on FHA-insured loans, among other debts, when in fact, the scheme was not legal. In return for eliminating the debt, the subjects charged the victims fees. The investigation substantiated the allegations. Three subjects and one entity were charged with felonies. One subject died before trial. The remaining two subjects were collectively sentenced to serve 30 months in prison, 108 months of probation, and ordered to pay restitution to victims of over \$335,000.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/21/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a Section 8 landlord deceived tenants into believing that they owed rent by falsely stating social services did not pay their share. The investigation determined that the allegations did not have merit.</p>	Administratively Closed
6/18/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a cleaning company was contracted by a Public Housing Authority (PHA) to clean vacant units and make them "rent ready." The PHA paid the cleaning company nearly \$500,000 from 2012 to 2014. The case was ultimately declined by the U.S. Attorney's Office due to a lack of evidence that fraud occurred. The matter was then referred to HUD for any administrative action that was deemed necessary.</p>	Closed by Referral

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/13/2018	<p>HUD OIG received information alleging that a contractor received a contract totaling \$1,075,000 from a Public Housing Authority (PHA) to act as the general contractor for a redevelopment project that included the building of seven new townhomes. The allegations against the general contractor included failure to pay sub-contractors for work that the sub-contractors completed on the redevelopment project. The PHA paid the general contractor six drawdowns totaling \$655,556 for work completed. It was determined by the PHA that much of the work completed by the general contractor and its subcontractors did not meet the job specifications required for the townhome project and failed city inspections as well. This action caused the PHA to rebid some of the same work that was performed by the general contractor. The subcontractors that filed liens were eventually paid by the general contractor's surety bond company. The state's Attorney General's Office declined to prosecute the case.</p>	Prosecution Declined
6/13/2018	<p>HUD OIG initiated an investigation based on data matching that identified fugitive felons allegedly receiving HUD housing benefits. The investigation resulted in the arrests of three fugitive felons and the referrals of 15 individuals for proposed evictions.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/13/2018	<p>HUD OIG initiated an investigation based on data matching that identified fugitive felons allegedly receiving HUD housing benefits. The investigation resulted in the arrests of two fugitive felons referred for proposed evictions.</p>	Administratively Closed
6/13/2018	<p>HUD OIG received a referral containing an allegation that a condominium owner was improperly originating Home Equity Conversion Mortgages as a means to disposing of unsold housing stock. The investigation corroborated the original allegation, however the circumstances did not warrant criminal prosecution and the financial position of the defendant made civil remedies unattainable. Ultimately, upon final consideration it was determined that the target had committed bankruptcy fraud. As a result, this individual entered into a settlement agreement to pay \$50,000 to the U.S. Treasury. No further action is warranted.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/13/2018	HUD OIG received a referral alleging that a HUD OIG employee accessed time and attendance record without authorization. The investigation corroborated the allegations and the matter was declined for prosecution. Disciplinary action was taken against the HUD OIG employee.	Employee Action
6/12/2018	HUD OIG received a referral from another law enforcement agency alleging that individuals had defrauded both HUD and SSA. The investigation determined that the subjects had failed to disclose true family composition and a familial relationship to the landlord. The case was declined for prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/12/2018	HUD OIG received a referral from a prosecutor's office alleging new surrogate signature (ROBO Signing) issues after the 2012 national mortgage settlement. The investigation determined that a Direct Endorsement lender was signing legal documents in an effort to improperly enhance its' standing for foreclosure. The investigation resulted in the lender entering into a settlement agreement to pay \$3.4 million to the United State Government.	Successful Prosecution
6/11/2018	HUD OIG received a referral that an Executive Director (ED) of a Public Housing Authority (PHA) might have received a kickback when he awarded a contract to a preferred contractor. The investigation did not substantiate the allegation, however, HUD OIG learned that the ED misappropriated funds to inflate his salary, which violated law. The ED was charged with theft and official misconduct and sentenced to serve 60 months in prison.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/8/2018	<p>HUD OIG received a referral from a non-profit alleging their Finance Director had deposited a check in the amount of \$19,470 into her personal account. After the incident occurred the employee did not return to the workplace. An investigation revealed the employee may have misunderstood guidance from a HUD employee and returned the funds to the non-profit. This investigation was declined for prosecution.</p>	Prosecution Declined
6/8/2018	<p>HUD OIG received a referral from another law enforcement agency alleging that an Executive Director (ED) of a Nonprofit Organization (NPO) may have fraudulently obtained funds from HUD for a project that the NPO did not complete. The investigation determined that the NPO was awarded a \$300,000 grant to build a housing triplex and drew down \$155,205 of the \$300,000 grant. A portion of these funds were used for personal expenses. To date, no construction has taken place. The investigation resulted in the ED entering into a pre-trial diversion program and paying restitution in the amount of \$20,670.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/8/2018	<p>HUD OIG received a referral from a former employee of a local Public Housing Authority (PHA) alleging that the PHA's Executive Director (ED) has been abusing her power as ED for personal benefit. The allegations included employing family members and her boyfriend, using the PHA credit card to purchase gas for her personal car as well as her family members cars. In addition, it was alleged the ED allowed felons to reside in PHA units, a theft of funds from the PHA's residents, and circumventing the waiting list with people that she preferred. The investigation determined that the ED made \$44,460 in fraudulent purchases on the PHA credit card that directly benefited her. The ED was sentenced to 16 months of incarceration, 36 months of supervised release and ordered to pay restitution in the amount of \$44,460. The case was referred to HUD for administrative action.</p>	Successful Prosecution
6/8/2018	<p>HUD OIG received a referral from a former housing specialist for a Public Housing Authority (PHA) alleging that she was harassed due to reporting various overcharges to tenants and unsafe housing conditions at the PHA. The investigation determined that the former housing specialist quit her job at the PHA and that an adverse action was not taken against her. The investigation demonstrated there is no evidence to support the allegation of retaliation.</p>	Allegation Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/8/2018	HUD OIG received a referral from HUD regarding allegations of a foreclosure rescue scam involving false deed filings. The investigation determined that grant deeds were filed by an investment company on nine homes for numerous borrowers paying an upfront fee in order to deed 1% of the homes to the investment company to avoid foreclosure. The statute of limitations related to the allegations had expired and the loss amount was minimal. The investigation was administratively closed.	Administratively Closed
6/8/2018	HUD OIG received information from a local news story alleging that a local Public Housing Authority (PHA) employee may have inappropriately contracted work to her husband. The allegations were presented to a prosecutor and declined prosecution.	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/7/2018	<p>HUD OIG received a referral from another federal law enforcement agency alleging Real Estate Owned (REO) and Housing Choice Voucher (HCV) program fraud by a real estate agent. Specifically, the anonymous call was prompted by the agent's guilty verdict in another matter for committing a conspiracy, theft of government funds, and money laundering. The allegations were presented to the U.S. Attorney's Office and declined for prosecution.</p>	Prosecution Declined
6/7/2018	<p>HUD OIG received a hotline complaint from a former employee of a local Public Housing Authority (PHA) alleging that the Executive Director (ED) of the PHA used state and federal funds for personal use. It was also alleged that the ED misused PHA assets and time by having a PHA employee complete a job at a non-PHA property belonging to a PHA board member. The investigation did not corroborate the allegation and there was no loss to HUD. The case was declined for prosecution.</p>	Prosecution Declined
6/7/2018	<p>HUD OIG received a referral from HUD involving allegations that a property owner under false pretenses entered into a Section 8 Housing Assistance Payment (HAP) contract that required decent, safe and sanitary units in accordance with statutory requirements, and with all HUD regulations. The investigation determined that the owner submitted false certifications on seven applications for payment. The owner entered into a settlement agreement with the Federal Government and paid \$40,000.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/6/2018	HUD OIG received a referral from an anonymous complainant alleging that a Public Housing Authority (PHA) employee may have embezzled rental proceeds and allowed her relatives to live rent-free. The investigation was unable to substantiate the allegations.	Allegation Unsubstantiated
6/6/2018	HUD OIG received a referral from a Public Housing Authority (PHA) alleging that a Section 8 participant was residing in and renting a property owned by her son in violation of the program rules. The investigation determined that the participant tenant and her landlord son made false certifications regarding their familial relationship. Criminal prosecution was not sought due to an expired statute of limitations and evidence that strongly suggested that the subject's son is currently residing outside of the U.S.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/5/2018	<p>HUD OIG initiated an investigation for the purpose of generating mortgage fraud cases and presenting those cases to the U.S. Attorney's Office. The goal of the initial stage of the investigation was to identify individuals engaged in Federal Housing Administration (FHA) mortgage fraud. Several potential red flags or indicators of potential misrepresentations in FHA loan files were identified. After investigating leads and conducting several interviews, the investigation failed to generate any allegations that were accepted for prosecution by the U.S. Attorney's Office.</p>	Prosecution Declined
6/5/2018	<p>HUD OIG received information from a state's Health Care and Family Services OIG alleging that an individual was fraudulently receiving food stamps and medical benefits through the state by falsely reporting to be separated from her husband. The husband and wife also potentially engaged in a short sale fraud in which properties under the wife's name were sold to her husband. Although nine properties were identified, none are related to HUD's Federal Housing Administration (FHA) program, nor are used as rental properties for Section 8 tenants. This investigation was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/5/2018	HUD OIG received a hotline complaint alleging that a firefighter purchased a property under the Good Neighbor Next Door Program and was not residing in the property as required by the program guidelines. The allegation was unsubstantiated.	Allegation Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/5/2018	HUD OIG received a referral alleging that a senior HUD OIG official fraudulently submitted a travel voucher. The investigation found the allegations were unsubstantiated.	Allegation Unsubstantiated
6/4/2018	HUD OIG received a referral alleging that a public housing manager for a local Public Housing Authority (PHA) required a painting contractor to paint the interior of the manager's personal residence and then required the painting contractor to submit falsified invoices to the PHA to cover the cost incurred to paint the residence. The case was presented but was declined for prosecution.	Prosecution Declined
6/4/2018	HUD OIG obtained information from a Public Housing Authority (PHA) employee and the FBI in which it was alleged that several PHA employees were involved in the distribution of narcotics within the housing projects. Additionally, information obtained by other law enforcement sources indicated that narcotics were being sold out of housing project units and are occupied by unauthorized tenants. HUD OIG was requested to provide investigative assistance in a working group comprised of multiple law enforcement agencies to proactively address the violent crime and drug sales occurring locally and in outlying areas. Although there appeared to be credible information at that time, no significant leads were generated that would involve HUD OIG or merit	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/4/2018	<p>HUD OIG received a referral alleging that a senior HUD officials violated HUD's nepotism policy, when they advocated for the hiring of their children under the Pathways Student Temporary Employment Program (STEP). The investigation corroborated the allegations and the matter was declined for prosecution. Disciplinary action was taken against the HUD officials for nepotism.</p>	Employee Action
6/1/2018	<p>HUD OIG received a complaint from an anonymous source alleging gross mismanagement by a property management agent of a Housing and Redevelopment Authority (HRA). The complainant further alleged that the management agent refused to re-calculate rent or meet with residents, while simultaneously practicing intimidation, abusive conduct, and other violations of a tenant's privacy. The allegations were unsubstantiated and were more focused on the day to day management of the project and policy administration. Based on that, it was referred to HUD program staff for whatever action they deemed appropriate.</p>	Referral to Program Staff/HUD
6/1/2018	<p>HUD OIG received a referral from an Executive Director (ED) alleging that a Public Housing Authority (PHA) tenant received Federal Emergency Management Agency (FEMA) assistance for Hurricane Harvey relief when the PHA unit sustained no damage from the hurricane. The investigation disclosed the tenant claimed personal property damage, but not damage to her dwelling. The FEMA inspector confirmed the tenant was entitled to the assistance received. The allegations were unsubstantiated.</p>	Allegations Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
6/1/2018	HUD OIG received a referral alleging that a public housing tenant received Federal Emergency Management Agency (FEMA) assistance for Hurricane Harvey relief but that the public housing unit sustained no damage from the hurricane. The investigation disclosed that a FEMA inspector determined that the unit required repairs for sanitation and safety. Based upon the inspector's determination, the tenant was qualified for the personal property damage and rental assistance that was received. Therefore the allegations were unsubstantiated.	Allegations Unsubstantiated
6/1/2018	HUD OIG received a referral alleging a HUD employee might have falsified their time and attendance records. The investigation determined that the employee could not account for some of their time for which they were paid. The employee retired and the investigation was administratively closed.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/31/2018	<p>HUD OIG conducted a proactive case in which it was alleged that a Federal Housing Administration (FHA) borrower purchased an FHA-insured property while still receiving assistance from HUD's Section 8 Program. The investigation revealed that the borrower received a Section 8 subsidy for a public housing unit while simultaneously residing in an FHA-insured property. The borrower pleaded guilty to false statements and was sentenced to three years of probation, ordered to pay \$17,210 in restitution, and 120 hours of community service.</p>	<p>All judicial actions completed and case has been referred to DEC for administrative actions.</p>
5/31/2018	<p>HUD OIG received a referral from HUD alleging that a real estate company had acquired numerous properties via warranty deed without paying off the original mortgage. The investigation confirmed that the real estate company acquired numerous properties via warranty deed but did not disclose the transaction to the lending institutions. The investigation revealed that the real estate company promised the homeowner that they would continue to pay the mortgage until the sale of the property. The real estate company kept their promise of mortgage payments to the lender but failed to disclose to the homeowner and lender that they were renting or selling some of the properties to unsuspecting buyers who were not aware of the underlying mortgages. The loss was minimal to HUD. The case was declined for prosecution.</p>	<p>Prosecution Declined</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/30/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a FHA-insured mortgage borrower filed multiple bankruptcies in his name and others to avoid mortgage foreclosure. Additionally, on one of the petitions the borrower used fraudulent documents as support. The investigation substantiated the allegations. The subject pleaded guilty to one count of bankruptcy fraud and was sentenced to 36 months of probation and 100 hours of community service.</p>	Successful Prosecution
5/30/2018	<p>HUD OIG received a referral from a counseling agency that alleged an attorney, who is also a Section 8 landlord, defaulted on the mortgages and taxes on properties he owned and collected HUD Section 8 assistance. The investigation determined that the landlord's failure to make mortgage and tax payments on his properties while collecting HAP funds was not a violation of the HAP contract. The investigation was closed administratively.</p>	Administratively Closed
5/30/2018	<p>HUD OIG received a referral from the FBI alleging that an employee of a third party administrator of HUD's Community Development Block Grant (CDBG) funds, misappropriated money. The State conducted an audit and it alleged the subject misappropriated over \$397,000 of CDBG monies. The audit identified the following three categories: duplicate payments, conflict of interest, and sweeping of a bank account (theft). The investigation revealed the best supported allegations were the duplicate payments and sweeping of the account; totaling approximately \$45,000. The Assistant U.S. Attorney (AUSA) declined prosecution and HUD OIG referred the case to HUD program staff.</p>	AUSA declined prosecution, HUD OIG will refer to Program staff to take administrative remedies.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/30/2018	<p>HUD OIG initiated an investigation to search for registered sex offenders receiving Public Housing benefits. The investigation identified three addresses that matched with individuals subject to lifetime registration as a sex offender within the zip code featured in this case. Two individuals were referred to local authorities for further investigation into violations relating to their failure to appropriately register and a third individual (a head-of-household) was referred to the local area housing authority for any action deemed appropriate.</p>	Administratively Closed
5/29/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that an elderly woman was the victim of a fraud scheme where an individual purporting to be a HUD employee, repeatedly requested funds from the elderly woman in order for her to receive HUD HOME grant funds to conduct work on her house. The investigation determined that another investigation was ongoing concerning the same subjects. Therefore, this investigation was closed and the evidence gathered was absorbed by the ongoing investigation.</p>	Administratively Closed
5/29/2018	<p>HUD OIG received a complaint alleging that a Public Housing Authority (PHA) Security employee had a second job in which he worked during the PHA's regular work hours. It was also alleged that he claimed in his payroll timesheet that he worked his regular scheduled hours at the PHA and he falsely inflated the total number of hours he worked. The investigation substantiated the allegations and the employee pled guilty in state court to five counts of misdemeanor theft.</p>	All criminal, civil, and administrative actions complete. Case closed.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/29/2018	<p>HUD OIG received information from a city's OIG that a security guard who worked for the city's payment centers, stole money from a city's department's petty cash account and customers making payments at pay centers. The city's OIG elaborated that the allegations included the subject's acceptance of cash from customers and claiming to customers that he was paying their fines at the payment center kiosk. The security guard would allegedly use a department check to obtain a receipt for the customer showing the fines had been paid. The money was drawn from the department's account and the account became overdrawn. The findings of this investigation were referred to a state's Attorney General's Office and was subsequently charged with theft. The subject was sentenced to 30 months of probation and community service.</p>	Successful Prosecution
5/29/2018	<p>HUD OIG received a referral from the HUD OIG Hotline alleging the complainant was fired from a job as a form of retaliation for bringing forth information of alleged illegal activity on behalf of the employer. The investigation determined the allegations brought forth by the complainant were not related to a federal grant or contract. The requirements set forth under the whistleblower protection statute were not met.</p>	Allegation Unsubstantiated
5/29/2018	<p>HUD OIG received a Hotline complaint alleging the complainant was fired from his job as a form of retaliation for bringing forth information of alleged illegal activity on behalf of his employer. The allegations brought forth by the complainant were not related to a federal grant or contract, therefore the requirements set forth under the whistleblower protection statute were not met in this investigation.</p>	Allegation Unsubstantiated

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/29/2018	<p>HUD OIG received a complaint alleging that a chairman of a Native American Housing Authority may have inappropriately hired and paid a boyfriend for work that was not done. Before HUD OIG could initiate its investigation, a fire at the Native American Housing Authority destroyed records that would have been pertinent to the investigation. This investigation was administratively closed.</p>	Administratively Closed
5/29/2018	<p>HUD OIG received a referral from two anonymous sources alleging that a city may have misappropriated approximately \$187,049 of HUD funds for uses that were not authorized. The investigation was unable to substantiate the allegation.</p>	Allegation Unsubstantiated
5/25/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that two businessmen, a closing attorney, and a banker may have been involved in a property flipping scheme involving HUD real-estate owned properties. The investigation substantiated the allegations. The four subjects in this case were successfully prosecuted and ordered to pay \$462,358.00 and forfeit \$400,000.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/24/2018	<p>HUD OIG received a referral from HUD OIG audit alleging that a Neighborhood Stabilization Program (NSP) sub-grantee may have defrauded a city and Public Housing Authority (PHA) NSP program of approximately \$691,005 in questionable and substandard rehabilitation work. The investigation was unable to determine criminal violations against the NSP sub-grantee. Evidence indicated that the city and PHA's lack of expertise and proper oversight of the NSP program may have contributed to their financial setback. This matter was declined for criminal prosecution.</p>	Prosecution Declined
5/24/2018	<p>HUD OIG received a Whistleblower's Protection Act (WPA) complaint filed by a former employee of a Public Housing Authority (PHA). The investigation determined that there was not a protected disclosure.</p>	Administratively Closed
5/23/2018	<p>HUD OIG opened this investigation to proactively seek cases in which Community Development Block Grant Disaster Recovery (CDBG-DR) applicants filed fraudulent documents or false information to receive the benefit of disaster relief that they were not entitled to receive. Using standard search parameters, four applicants were identified for further review. Further HUD OIG investigation determined the four applicants did not violate program rules.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/23/2018	HUD OIG received a complaint from a Homeownership Center (HOC) regarding a property purchased by an individual. According to the HOC, the bank statements are false, and they were unable to verify the employment of the borrower. Additionally, the appraiser and loan officer are suspected to be involved. A search in the recorder's office revealed the original seller had bought various properties and sold them at high values. The allegations were unsubstantiated and the prosecution was declined by the County State's Attorney's Office.	Prosecution Declined
5/23/2018	HUD OIG received a referral from a law enforcement agency alleging that a Section 8 tenant may have used the identity of a deceased individual to obtain housing assistance. The investigation substantiated the allegation, resulting in the indictment and conviction of the Section 8 tenant. The tenant was sentenced in U.S. District Court to two years in prison, three years of probation, and ordered to pay \$274,765 in restitution.	Successful prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/23/2018	HUD OIG received a referral from a Public Housing Authority (PHA) alleging a gang was committing physical assaults and shootings at residents of HUD-subsidized Section 8 units, who were identified as unauthorized occupants. The investigation determined that the head of households committed tenant fraud by not disclosing the unauthorized occupants. The loss to HUD was \$46,160. The head-of-household was convicted of perjury and theft, sentenced to 36 months of summary probation and ordered to pay \$10,000 in restitution. An eviction referral was also made to the PHA.	Successful Prosecution
5/22/2018	HUD OIG received a complaint alleging that an individual stole the identity of a dead woman and used it to obtain a public housing apartment along with various other benefits. The investigation was unable to collect the needed evidence, because the records were destroyed during a recent Hurricane.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/22/2018	HUD OIG received information that a HUD Office of Fair Housing employee allegedly identified himself as a HUD investigator and requested a county Clerk's Office employee to backdate documents and purge the system of a court case involving a Section 8 tenant. The HUD employee communicated this request via telephone message and written correspondence in order for the tenant to obtain housing. The HUD employee received a Letter of Reprimand.	Employee Action
5/22/2018	HUD OIG received a referral from a prosecutor's Office alleging housing fraud against several known gang members who have established a base of operation at a local housing project. The individuals, who purportedly engaged in gang-related shootings, auto thefts, strong arm robbery, narcotic and weapons trafficking, have hidden assets and income that were not reported to the housing authority. The investigation determined that there was not adequate evidence to support the allegations.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/22/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) alleging that a Section 8 tenant may have failed to report she was married and that she was not living in her subsidized unit. The investigation substantiated the allegation. The tenant was sentenced to 3 months in prison and ordered to pay \$41,353 in restitution.</p>	Successful prosecution
5/18/2018	<p>HUD OIG received a complaint alleging that a realty company may have engaged in withholding short sale listings from the open market, resulting in the artificial lowering of the market values of the said properties. The properties were then sold to a pool of investors affiliated with the real estate entity at a reduced price. The investigation found evidence to support the allegations. Subsequently a state regulatory agency fined the realty company \$102,000 and one of their realty agents was fined \$23,000. The investigation was declined criminal prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/18/2018	<p>HUD OIG initiated an investigation based on data matching that identified fugitive felons allegedly receiving HUD housing benefits. The investigation resulted in the arrest of one wanted individual and the referrals to HUD regarding six individuals for action deemed appropriate.</p>	Administratively Closed
5/17/2018	<p>HUD OIG received information that a Mental Health Care Worker potentially engaged in Money Laundering, Structuring, and possible Fraud from March 2011 to May 2014 in the amount of \$278,895. The allegations pertained to tenant rent payments and other checks associated with housing programs that serve low income or homeless individuals and the intellectually disabled. The employee allegedly fraudulently obtained numerous money orders and altered them from their original state. Specifically, payee names appeared to have been altered with pen or permanent marker on the majority of the instruments to change the payee to the employee's name. In addition, numerous checks made payable to other individuals were ultimately signed over to the employee and deposited into her bank account(s). The instruments appeared to be associated with the agency and multiple apartment complexes. The agency is a recipient of various HUD program funds, which may include Home Investments Partnerships (HOME), Community Development Block Grant (CDBG), Continuum of Care (CoC), Emergency Solutions Grant (ESG), Section 811, Section 202, and Section 8. This investigation was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/17/2018	HUD OIG received a referral from another law enforcement agency alleging that land owners paid off city council members to lie on a HUD application about zoning. The allegation was unsubstantiated and HUD denied the application.	Allegation Unsubstantiated
5/17/2018	HUD OIG received a referral from a law enforcement agency alleging that individuals were possibly trespassing at a HUD Real Estate Owned (REO) property. The investigation determined the individuals were residing in the HUD property, were not lawfully present, and had no standing to be there. The case was accepted and three defendants were subsequently charged with Criminal Trespass, Mortgage Fraud, Forgery and Fraudulent Schemes. The defendants were each sentenced to 36 months probation and ordered to pay \$20,000 in restitution. The restitution reflects the amount of loss to HUD in carrying costs incurred during the time it was not able to sell the property due to the unlawful occupation of the defendants.	Successful prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/17/2018	<p>HUD OIG initiated an investigation based on data matching that identified fugitive felons allegedly receiving HUD Public Housing Authority (PHA) benefits. The investigation determined that none of the identified warrants were active fugitive warrants. Therefore, none of the individuals were pursued. Administrative referrals were made to respective PHA offices for action they deemed appropriate.</p>	Administratively Closed
5/17/2018	<p>HUD OIG received a referral alleging that a mortgage company was issued a Notice of Violation from the Government National Mortgage Association (GNMA) for its failure to meet financial requirements and its failure to remit taxes and insurance payments collected at loan closings for GNMA pooled loans. The investigation determined that, although late, the mortgage company did remit required taxes and insurance and there is no current shortage. As a result, this case was closed.</p>	Administratively closed
5/16/2018	<p>HUD OIG received information from HUD alleging that a director of a city department had a conflict of interest with their brother-in-law and a board member for the development company being involved with a HUD grant. The investigation revealed no indication that the conflict of interest between the Director and brother-in-law resulted in any actions that personally benefited either party. Both individuals disclosed their conflict of interest relationships to their respective superiors. Those supervisors researched their respective policies regarding conflict of interest and determined that neither of the individuals were in violation. There was no loss to the government and the allegations were unsubstantiated. The case was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/16/2018	<p>HUD OIG initiated an investigation to search for registered sex offenders receiving Section 8 housing benefits. The investigation identified two individuals that were lifetime registered sex offender within the zip codes featured in this case. Both sex offenders were Section 8 recipients and were charged with perjury. They were sentenced to probation and were referred to the respective housing agency for evictions for failing to report their criminal/sex offender status.</p>	Successful Prosecution
5/15/2018	<p>HUD OIG developed information from an unrelated investigation that the Executive Director (ED) of a not-for-profit organization was allegedly misappropriating Community Development Block Grant (CDBG) funds for his own personal use. The investigation substantiated the allegations. The ED was charged with wire fraud and attempt to evade payment of taxes. The ED was sentenced to serve 38 months of incarceration, followed by 36 months of probation, ordered to pay restitution to the IRS, and forfeit over \$300,000.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/15/2018	HUD OIG received a referral from a Public Housing Authority (PHA) pertaining to theft of Housing Choice Voucher (HCV) funds. The investigation substantiated the allegation. The subject of the investigation was admitted into a pretrial diversion program, which required the subject to repay \$7,380 to the housing authority and serve 12 months probation.	Successful Prosecution
5/15/2018	HUD OIG received information from a local Public Housing Agency (PHA) alleging that a Housing Choice Voucher (HVC) program recipient, failed to declare their dependent child's receipt of disability benefits from the Social Security Administration. The subject was charged in state court with Theft By Unlawful Taking and subsequently pled guilty and was admitted into a pre-trial diversion program that required restitution to the PHA totaling \$9,999, perform 200 hours of community service, and 24 months probation.	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/11/2018	HUD OIG received a referral from HUD alleging that a HUD employee had recently been arrested. The investigation determined the nature of the arrest and obtained records associated with the arrest. The relevant documents were provided to HUD.	Administratively Closed
5/10/2018	HUD OIG received a referral from another law enforcement agency alleging fraud by a Section 8 tenant. The investigation determined that the tenant failed to report that her husband lived with her in the subsidized unit.	Prosecution Declined
5/10/2018	HUD OIG initiated an investigation based on data matching that identified fugitive felons allegedly receiving HUD Section 8 housing benefits. The investigation identified and apprehended six (6) fugitive felons that were receiving Section 8 housing assistance payment. The fugitive felon's information was referred to the respective housing agency for any action deemed appropriate.	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/9/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) alleging that a roofing contractor failed to pay prevailing wages to its employees. The investigation substantiated the allegations and learned that one contractor employee extorted money from workers in exchange for giving them jobs. Collectively, four contractors were charged locally with grand larceny, filing false instruments, and scheme to defraud. They were sentenced to two years of conditional discharge, 36 months of probation, and ordered to pay back-wages to workers in excess of \$1.98 million.</p>	Successful Prosecution
5/9/2018	<p>HUD OIG received an anonymous complaint alleging that a Public Housing Authority (PHA) employee stole funds from the PHA for several years. The Executive Director (ED) had knowledge of this theft and has re-assigned the employee to another division within the PHA. The investigation did not reveal any evidence to support the allegations.</p>	Administratively closing case, allegations unsupported.
5/8/2018	<p>HUD OIG received a referral from HUD OIG's Office of Audit indicating that the former Finance Director of a non-profit organization may have disbursed payroll payments to herself in excess of her contract salary. The investigation confirmed that from 2011 through 2014, the former Finance Director disbursed over \$584,000 to herself, when her contract salary was between \$40,000 and \$45,000 annually. The former Finance Director pled guilty to Theft of Federal Program Funds in U.S. District Court, was sentenced to 30 months incarceration, and ordered to pay \$321,961 in restitution to HUD.</p>	All judicial and administrative actions complete. This case is closed.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/7/2018	<p>HUD OIG received a referral from HUD alleging that a HUD employee submitted an altered DD-214 during the hiring process, provided fictitious "Doctors notes" excusing him from work, providing false statements, related to his job, to local police in order to not appear in court, and; soliciting a coworker for prescribed drugs. The allegations were unsubstantiated.</p>	Allegation Unsubstantiated
5/3/2018	<p>HUD OIG received a referral from HUD program staff alleging a local county government awarded a \$2 million Community Development Block Grant Disaster Recovery (CDBG-DR) grant to construct an Emergency Operations Center. Due to lack of progress, the contracts with the architect and contractor were terminated, with a total of \$350,000 in CDBG-DR grant funds spent on the failed project. It was also alleged that the architect and contractor colluded to ensure the contractor was awarded the project. The investigation determined that the allegations were unsubstantiated.</p>	Allegation Not Substantiated
5/3/2018	<p>HUD OIG initiated an investigation into early payment defaults from a loan originator. The investigation revealed irregularities within the loan origination files, however, these concerns could not be substantiated to conclude that fraudulent activity had occurred. Ultimately, the matter was referred to HUD for consideration of possible Program Fraud Civil Remedies Act (PFCRA) action. HUD issued a PFCRA declination letter.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/2/2018	<p>HUD OIG received a request for assistance from the FBI regarding a joint fraud investigation the FBI had with the U.S. Department of Agriculture (USDA) OIG and a local police department involving a husband and wife pertaining to the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The husband is the owner of a store and is alleged to be trafficking in SNAP and WIC benefits. FBI discovered the suspects had a HUD insured mortgage on their personal residence while conducting a pre-forfeiture analysis. A preliminary search of HUD records confirmed the suspects obtained a loan through the Emergency Homeowners Loan Program (EHLPP). It is alleged the suspects have provided false information to HUD in order to qualify for the program. The husband and borrower were charged and sentenced to 3 years of probation and ordered to pay \$78,566 in restitution.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
5/1/2018	<p>HUD OIG received a complaint from a Public Housing Authority (PHA) alleging that a former employee supplied false documents and forged academic records to support his PHA employment. The investigation determined the former employee falsely claimed an academic degree and provided fraudulent academic records to the PHA. The former employee provided fraudulent academic records to gain initial employment with the PHA in 2001, then in 2006, and at the time of his promotion to a supervisory position in 2012. The former employee's false claims of an academic degree were material in the PHA's employment decisions and the former employee received over \$141,000 in salary he was not entitled. The former employee was charged in Puerto Rico Superior Court with False Statements, Passing False Documents, and ethics violations; and was sentenced to 22 months of probation. Employment was terminated by the PHA in 2015, and the former employee was referred to HUD for administrative debarment.</p>	<p>Investigation complete. All criminal, civil, and administrative options considered. This case is closed.</p>
5/1/2018	<p>HUD OIG initiated a proactive investigation to review activities of several entities with significant participation in Federal Housing Administration's (FHA) note sale programs. The investigation did not identify evidence that the entities acted improperly through participation in the note sales. This matter was administratively closed.</p>	<p>Administratively Closed</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/30/2018	<p>HUD OIG received a referral from an independent public auditor who performed an audit of the financial statements of a Public Housing Authority (PHA). The referral alleged that the PHA was engaged in embezzlement and other fiscal improprieties. The investigation substantiated that PHA officials engaged in criminal conduct. The Executive Director (ED), two consultants, a contractor, and an employee of the PHA were charged with corruption-related felonies. Collectively the defendants were sentenced to 66 months of incarceration, five years of probation, eight years of supervised release, and 100 hours of community service. Furthermore, they were ordered to collectively pay over \$3.3 million in restitution and were collectively fined \$100,000.</p>	Successful Prosecution
4/30/2018	<p>HUD OIG received a referral alleging that a former Section 8 Housing Choice Voucher (HCV) program landlord received housing assistance payments she was not entitled. The allegation was unsubstantiated and the case was administratively closed.</p>	Allegation Unsubstantiated
4/30/2018	<p>HUD OIG received a referral alleging that a Section 8 Housing Choice Voucher (HCV) participant might not be residing in their subsidized unit and that a relative of the subsidized tenant had moved into the unit. There were also allegations that the landlord might have known that the tenant was no longer residing in the assisted unit. The investigation confirmed the tenant had moved out but failed to report to the PHA.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/27/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a contractor defrauded homeowners that were awarded Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM) grant funds following Hurricane Sandy. The contractor allegedly received \$88,600 in RREM funds from the complainant, however, other than demolition, no other work was performed and the contractor was requesting an additional \$50,000 from the complainant. The case was worked by local law enforcement and although the contractor was originally charged, the charges were later dismissed due to a lack of evidence beyond a reasonable doubt.</p>	Prosecution Declined
4/27/2018	<p>HUD OIG received an allegation that Public Housing Authorities (PHAs) may have manipulated data provided to HUD, and that HUD officials were aware of the manipulated submissions. The investigation did not identify evidence supporting the allegation and was administratively closed without a referral to HUD.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/27/2018	HUD OIG initiated a proactive investigation to review activities of nonbanks securitizing and servicing Federal Housing Administration (FHA) insured loans. HUD OIG, Office of Investigation (OI), conducted no work on this matter because HUD OIG's Office of Audit was engaged in an audit of Government National Mortgage Association's (GNMA's) nonbank oversight at the same time. This matter was administratively closed.	Administratively Closed
4/25/2018	HUD OIG received a referral from a national title insurance company alleging an attorney and title agent prepared a closing protection letter although the agent's title insurance policy was terminated approximately two years before the letter was issued, making the closing protection letter a counterfeit. The investigation determined the title agent issued closing protection letters on numerous Federal Housing Administration (FHA), U.S. Department of Agriculture (USDA), and conventional mortgage loans. The agent pleaded guilty to committing bank fraud and was sentenced to 36-months incarceration and ordered to pay \$662,000 in restitution.	Successful Prosecution.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/25/2018	<p>HUD OIG received a referral from a local Public Housing Authority (PHA) alleging that a HUD Section 8 rental assistance program participant was underreporting earned income in violation of program rules. The investigation substantiated the allegations and the loss to HUD was minimal. The investigative findings were shared with the PHA and the participant was terminated from the Section 8 program.</p>	Administratively Closed.
4/24/2018	<p>HUD OIG received a referral from HUD alleging that a contractor mishandled and/or had not completed or started repairs to Super Storm Sandy-damaged properties. All of the victims claimed they made payments to the contractor using Community Development Block Grant Disaster Recovery (CDBG-DR) funds. The investigation determined that the contractor did not directly contract with the grantor to receive CDBG-DR funds and that HUD had no jurisdiction in the matter. The case was referred to another law enforcement agency.</p>	Administratively Closed
4/24/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a recipient of Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) grant fund, falsely claimed a Sandy-damaged dwelling as a primary residence at the time of the storm. The allegation was unsubstantiated. The case was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/24/2018	<p>HUD OIG received information from a local police department that alleged a former apartment complex manger, received HUD housing assistance funds, created false leases in the names of applicants for housing, and moved unqualified individuals into apartments. The investigation revealed that the former manager allegedly received HUD housing subsidies from the local Public Housing Authority (PHA) for these tenants, even though they weren't actually living in the units. Additionally, the former manager allegedly collected monthly rent payments from tenants and deposited the payments into a personal bank account. Estimated losses were approximately \$23,000 and included an approximate \$10,000 loss to HUD. The matter was declined for prosecution but referred to the Departmental Enforcement Center for possible administrative action.</p>	<p>Case Declined for Prosecution and Administrative referrals were made</p>
4/24/2018	<p>During an audit, HUD OIG found evidence that a Public Housing Authority (PHA) awarded funds to a contractor without an executed contract or board approval of the payments. The contractor was simultaneously working as a full time Executive Director (ED) at another Public Housing Authority (PHA). The investigation determine that the PHA paid \$131,880 in HUD program funds to pay unreasonable and ineligible consulting fees. The prosecutor's office dismissed the indictment after full restitution was paid.</p>	<p>Repayment in Lieu of Prosecution</p>

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/24/2018	<p>HUD OIG received a referral from HUD OIG's Office of Audit that alleged a Public Housing Authority (PHA) may have misappropriated \$2.2 million in HUD funds, had \$944,910 in unsupported costs, and incurred other questionable transactions. The allegations were referred to a prosecutor and was declined for prosecution.</p>	Prosecution Declined
4/24/2018	<p>HUD OIG received a referral from a complainant alleging that a development center misused HUD Supportive Housing Program funds to repair personal rental units, HUD funds were used for positions that don't exist, and assisted units that did not contain heating or cooling units in violation of Housing Quality Standards (HQS). The investigation found no substantive evidence to reveal any intentional malfeasance on behalf of the accused. It appeared to have possibly been processed inadequately. This matter was referred to the HUD OIG Office of Audit and to HUD Community Planning and Development (CPD) for CPD to consider reviewing the development center.</p>	Administratively Closed

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/24/2018	<p>HUD OIG received a referral alleging that a senior HUD official submitted false official documentation by claiming "travel compensation" in lieu of compensation time or overtime, as a way to circumvent the pay cap. The investigation corroborated that allegation and the matter was declined for prosecution. Disciplinary action was taken against the HUD official.</p>	Employee Action
4/23/2018	<p>HUD OIG received a referral from a bank alleging that a fraudulent short sale affecting a Federal Housing Administration (FHA) mortgage loan occurred. The investigation determined that the buyer was actually a contract laborer of the listing realtor and that the property was sold again on the same day it had been purchased. Additionally, the investigation disclosed that the same realtor was repeatedly using the same closing attorney to conduct purchases and sales that regularly violated arm's length affidavits signed by all parties at closing. This same short sale fraud scheme was utilized on 12 different properties resulting in the additional earnings of approximately \$230,000 to the listing realtor. The defendant agreed to a criminal information and plead guilty to one count of 18 USC 1012, false transactions with HUD. The defendant was sentenced to 6 months of home incarceration, 12 months of probation and the judge required that the defendant not maintain or renew a real estate license.</p>	All Judicial Actions completed and referred for administrative actions.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/23/2018	<p>HUD OIG received a referral from a state regulatory agency alleging that a title company submitted false title insurance policies. The false policies were related to transactions funded by loans sold to Fannie Mae and Freddie Mac or insured by the HUD Federal Housing Administration (FHA). The investigation confirmed the false title insurance policies. The owner of the company pled guilty to federal charges and was ordered to pay \$420,611 in restitution.</p>	Successful Prosecution
4/20/2018	<p>HUD OIG initiated an investigation based on a HUD OIG Office of Audit Report alleging that a Community Development Block Grant Disaster Recovery (CDBG-DR) recipient received Rising Enhanced Buyout Program funds that the recipient was not eligible to receive. The investigation determined that the property being assisted was not the recipient's primary residence, a requirement of the program. Prosecution was declined.</p>	Prosecution Declined
4/20/2018	<p>HUD OIG received a referral from an anonymous complainant alleging loan origination fraud by bank officials for a bank that is now bankrupt. It was alleged loan applications contain fraudulent signatures, fraudulent disclosures, and paystubs, as well as bank statements contained within loan files that had no correlation to actual bank statements. The investigation confirmed the fraudulent documentation as well as those responsible for their creation or submission. The investigation resulted in 15 bank officials being charged and pleading guilty to various federal charges. All individuals were administratively sanctioned by HUD.</p>	Successful prosecution.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/19/2018	<p>HUD OIG received a referral from the FBI alleging that a HUD Continuum of Care participant fraudulently received HUD Benefits via HUD's Single Room Occupancy Program (SRO) for homeless people. The participant is allegedly a for profit entity. SRO requires nonprofit status. The investigation did not reveal evidence that supported the allegations. The investigation was presented to the U.S. Attorney's Office and was declined.</p>	Case closed
4/19/2018	<p>HUD OIG received a referral from a Public Housing Authority (PHA) alleging that a Section 8 participant purchased three single family properties and may have unreported income. The investigation determined that the Section 8 participant willfully participated in a real-estate fraud scheme by purchasing three properties and transferring them to a family trust. The family trust allowed the properties to go into foreclose while collecting rent under the Section 8 program. The Section 8 participant was convicted on five (5) counts of violating Title 18 USC 1014: False Statement to a Financial Institution, Aiding and Abetting and Causing an Act to be Done, and sentenced to 24 months incarceration, 5 year supervised release, and 20 hours community service.</p>	Successful Prosecution

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/19/2018	<p>HUD OIG conducted a proactive HUD OIG investigation into an alleged foreclosure rescue scam by a nonprofit organization. The investigation determined that the nonprofit had misrepresented itself as a HUD affiliate and had collected advance fees from distressed homeowners with promises of loan modifications. The nonprofit failed to provide any loan modifications. Five nonprofit principals and employees were subsequently convicted and sentenced from 12 to 120 months in suspended sentence, 5 years of probations, and \$133,621 in joint restitutions.</p>	Successful Prosecution
4/18/2018	<p>HUD OIG received an anonymous complaint alleging that he discovered financial irregularities pertaining to HUD Fair Housing funds awarded to a county, including improper transfers of HUD Fair Housing Funds into the county's general funds for non-HUD purposes. The complainant was later identified as a recently terminated county employee and the investigation did not reveal any evidence substantiating the allegations.</p>	<p>Allegations disproven. Criminal prosecution declined by USAO and civil/administrative remedies not required. This case is administratively closed.</p>
4/18/2018	<p>HUD OIG received a referral alleging a Section 8 tenant conspired with her landlord to conceal a conflict of interest that the tenant was residing with the landlord's brother. The Public Housing Authority (PHA) paid a total of \$100,158 in housing assistance payments as a result of the fraud. The investigation determined the PHA's tenant file related to these allegations was missing relevant records. The landlord agreed to pay \$18,000 to the housing authority to resolve the liability. The case was declined for prosecution.</p>	Prosecution Declined.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/18/2018	<p>HUD OIG received a referral from a state affiliated agency alleging a Public Housing Authority (PHA) employee was fired after notifying the board of directors of the alleged improprieties by the Executive Director (ED) for a PHA. The ED allegedly abused his/her position by misusing federal funds for personal gain. A whistleblower investigation determined that no protected disclosure was made.</p>	Allegation Unsubstantiated
4/17/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that an individual applied for and received Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) and Homeowner Resettlement Program (RSP) Community Development Block Grant (CDBG) Disaster Assistance funds for a damaged property that was not the grantee's primary residence at the time of Hurricane Sandy. During the investigation, HUD OIG received notification of state indictments from a law enforcement agency charging the individual with Theft by Deception, Unsworn Falsification to Authorities, and an additional count of Theft by Deception related to Federal Emergency Management Agency (FEMA) violations. There was no loss to HUD. Prosecution was declined on all HUD violations.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/16/2018	<p>HUD OIG received a complaint from a local Public Housing Authority (PHA) alleging that a Section 8, Housing Choice Voucher Program (HCVP) landlord was overcharging two HCVP tenants. It was alleged that the HCVP landlord was charging them each approximately \$200 per month, in violation of the Section 8, HCVP contract. The investigation confirmed that the landlord charged side payments outside of the allowable tenant payments from 2008 through 2011. Criminal prosecution was declined by the U.S. Attorney's Office (USAO) and the State Attorney's Office. The landlord's participation in the HCVP program was terminated by the housing authority.</p>	Investigation complete

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/16/2018	<p>HUD OIG conducted a proactive investigation to review Home Equity Conversion Mortgage (HECM) borrowers who refinanced their HECM loan three (3) times. The investigation determined, the last two (2) re-finances occurred within 6 months of each other with minimal obvious benefit to the home-owner. The investigation also revealed that the borrower was later diagnosed with Dementia during this time period. The investigation was presented to the United States Attorney's Office (USAO) and declined.</p>	All actions entered and case closed.
4/13/2018	<p>HUD OIG received an anonymous complaint alleging City officials entered into a Conflict of Interest (COI) relationship with a Community Housing Development Organization (CHDO) in order to steer contracts and grant funds to other individuals personally known to the same City officials or CHDO associates. HUD OIG located the complainant who advised that none of the information he/she provided was personally known. The U.S. Attorney's Office (USAO) declined prosecution in this case.</p>	All actions entered.

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/13/2018	<p>HUD OIG received a referral from HUD Public and Indian Housing (PIH) that alleged a former Public Housing Authority (PHA) Executive Director (ED) obtained a pension loan, through her retirement service, through the PHA. The investigation revealed that the ED, who signed and authorized all PHA retirement loan payments and retirement contribution checks to the retirement loan program, paid her personal loan payments in the amount of \$11,165, with PHA funds. The findings of the investigation were referred to the U.S. Attorney's Office for prosecution. The ED was charged via Information on one (1) count of violating Title 18 USC 666 - Theft or bribery concerning programs receiving Federal funds. The ED pled guilty and was sentenced to 24 months of probation and ordered to pay \$11,165 in restitution.</p>	All actions entered case closed.
4/13/2018	<p>HUD OIG received a referral alleging that a local realtor bought and sold possible HUD real estate-owned (REO) properties that were fraudulently used in conjunction with an arson scheme. The investigation did not reveal evidence that supported the allegations. The investigation was presented to the U.S. Attorney's Office and was declined for prosecution.</p>	All actions entered case closed.
4/12/2018	<p>HUD OIG received a referral from another law enforcement agency alleging a Section 8 tenant claimed another person's dependent children as their own dependents in order to increase their housing assistance. The investigation determined that the tenant claimed another person's children to received housing assistance they were not entitled. The case was declined for prosecution.</p>	Prosecution Declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/11/2018	<p>HUD OIG received a referral from a law enforcement agency alleging that a homeowner misrepresented their primary residence, when they applied for the Housing Resettlement Program (RSP), following Hurricane Sandy. A community affairs department awarded a grantee \$10,000 in RSP funds for a damaged property that they were not entitled to receive because the damaged property was not their primary residence during or prior to Hurricane Sandy. The investigation substantiated the allegations. The grantee was charged with theft and falsifications to authorities. The grantee pled guilty and was ordered to pay \$10,000 in restitution and sentenced to 24 months probation.</p>	Successful Prosecution
4/10/2018	<p>HUD OIG received a request from a State Attorney's Office and two counties, to relocate a witness of a violent crime who was at risk of violent retaliation. The witness was successfully relocated.</p>	Witness relocation complete. No further action necessary.
4/9/2018	<p>HUD OIG received a referral from a bank alleging that a loan officer was identified for originating questionable Federal Housing Administration (FHA) insured loans. The investigation was initiated and the aforementioned loans were investigated. Several witness and subject interviews were conducted. The investigative findings were presented to the United States Attorney's Office and prosecution was declined.</p>	Prosecution declined

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/4/2018	<p>HUD OIG conducted research and discovered that a real estate investor allegedly purchased several properties from FHA borrowers via short sale. Additionally, it appears these short sales were flipped the same day they were purchased by use of placing the property into a trust, where the investor was listed as the trustee. The investors fraudulently convinced the banks to accept undervalued short sale prices while seeking buyers willing to pay more at the subsequent resale. The investigation determined that investors' submitted letters to lenders, which falsely indicated homes had been marketed for sale. They also provided letters on his employers' letterhead that falsely claimed they had been approved for financing to pay cash for homes. They additionally submitted HUD-1s attesting they paid cash for homes, when in fact; they brought no cash to closing and sometimes provided fraudulent checks for accounts with insufficient funds. One investor signed lender affidavits falsely attesting he had no relationship to sellers and there were no agreements to immediately resell the homes. They also submitted false paperwork to lenders to conceal their profits. Four subjects were convicted of Bank Fraud and one for Conspiracy.</p>	Successful prosecution.
4/3/2018	<p>HUD OIG received a referral from a union representative alleging that a HUD manager, who supposedly went to another state to help care for a sick parent and was there for an extensive period of time, committed time card fraud. The investigation determined that the manager was authorized to work remotely out of state to care for a family member. However, the investigation identified other instances when the manager failed to accurately record their telework on time and attendance submissions. The matter was referred to HUD for administrative action. The employee received a verbal reprimand.</p>	Employee Action

DATE CLOSED	INVESTIGATIVE DESCRIPTION	DISPOSITION
4/3/2018	HUD OIG received a referral alleging that a HUD OIG employee had continuously sexually harassed other HUD OIG employees within the same office, as well as other Federal Government employees. The investigation determined the allegations to be unsubstantiated and the investigation was administratively closed.	Allegation Unsubstantiated
4/2/2018	HUD OIG received a referral alleging that a lender could not approve a Home Equity Conversion Mortgage (HECM) loan without the proper signature, but was able to obtain the loan using a falsified power of attorney submitted by a family member. As a result of the investigation, HUD notified the lender and borrower of their potential liability under the Program Fraud Civil Remedies Act (PFCRA) of 1986, 38 U.S.C. (United States Code) 3801-3812, for causing a false claim to be made regarding the eligibility of an Federal Housing Administration (FHA) HECM loan. The lender entered into a settlement agreement to pay HUD \$4,000 and agreed to indemnify the loan holding HUD harmless for any and all losses HUD incurs or has incurred in connection with the loan. Additionally the offending family member entered into a settlement agreement to pay HUD \$1,500.	Successful Prosecution