



we make housing affordable

Office of Inspector General

Investigative Report

130830-02

March 30, 2015

Chris Hirst, Inspector General

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General
Investigative Report
Case Number 130830-02**

INTRODUCTION

On August 13, 2013, the Office of Inspector General (OIG) received a letter from Ted K. Brown, Attorney at Law, representing Lake Mandarin Homeowners Association. Mr. Brown alleged that Victor Grover, a Hardest Hit Funds (HHF) recipient, had committed fraud on his HHF mortgage loan application by indicating that he was a resident of Florida and/or that his property securing the loan was his primary residence.

Mr. Grover applied for HHF funds on October 4, 2012 and reported his address as 3296 Laurel Gove N. Jacksonville, Florida, 32223. He was approved on February 25, 2013 and received HHF funding totaling \$19,803.65.

The OIG initiated an investigation based on the information provided.

ALLEGATIONS

It is alleged that Mr. Grover provided false information regarding his primary residence on his HHF application. The HHF Advisor manual as of June 2012 requires applicants to occupy the property indicated on their HHF application as their primary residence. If supported, the allegation would constitute a violation of federal and/or state laws, including:

- Title 18, United States Code, §1001, False Statements;
- Section 817.03, Florida Statutes (F.S.), Making false statement to obtain property or credit;
- Section 817.545, F.S., Mortgage Fraud; and/or
- Section 837.06, F.S., False Official Statements.

EXECUTIVE SUMMARY

From September 06, 2013 until February 26, 2014, the Office of Inspector General conducted interviews and reviewed significant documentation/records as it relates to the allegations. As a result of the investigation, the Office of Inspector General determined that the allegation of falsification of a HHF application against Mr. Grover was **Supported**.

COMPLAINANT INTERVIEW

On September 10, 2013, a telephone interview was conducted with Mr. Ted Brown, PA by the Office of Inspector General. The following represents Mr. Brown's statement in substance:

Mr. Brown stated that he was representing Lake Mandarin Homeowners Association in a lawsuit against Mr. Grover. Mr. Brown indicated that he had provided the OIG with affidavits that were from the lawsuit. (Exhibit 1) He explained that the affidavits show that Mr. Grover did not live at 3296 Laurel Gove N. Jacksonville, Florida,

32223 as reported on the application. The affidavits also indicated that a Chad Mitchell Cooley lived at the address.

Mr. Brown also stated that Mr. Grover was likely receiving rental income from Mr. Cooley. Mr. Brown expressed that he thought it was unlikely that Mr. Grover allowed Mr. Cooley to live at the residence without some form of rent. Mr. Brown did not have a location or contact for Mr. Cooley and was unable to find any proof that Mr. Grover received any rental income.

DOCUMENTATION/RECORDS ANALYSIS

A review of Mr. Grover's affidavit provided in the Lake Mandarin Homeowners Association Inc. lawsuit was filed in Duval County Florida, Case No: 2012-CC-013521. (Exhibit 1) The affidavit was dated July 3, 2013, and indicated that Mr. Grover affirmed under oath that, during the period July 2012 until January 29, 2013, his residence was 4830 Seascape Way, Apt. # 304, Jacksonville, Florida 32224.

A review was completed of Mr. Grover's August 21, 2013 Quarterly Touch. (Exhibit 2) This document was provided by Mr. Grover to his HHF advisor to support his claim of continuing HHF eligibility. The Quarterly Touch documents included Mr. Grover's payroll statements and showed that he had been employed full time as indicated by the hours worked and the year to date pay. In addition, the address for Mr. Grover is listed on his pay stub as being in Connecticut.

A review was completed of Mr. Grover's HHF mortgage document dated February 8, 2013. (Exhibit 3) This document supports that Mr. Grover affirmed that he met the HHF eligibility requirements as of February 8, 2013.

WITNESS INTERVIEWS

On January 17, 2014 a telephone interview was conducted with Vladimir Dubovis, Mr. Grover's attorney, by the Office of Inspector General. The following represents Mr. Dubovis's statement in substance:

Mr. Dubovis stated he was providing legal counsel to Mr. Grover regarding the Lake Mandarin lawsuit. Mr. Dubovis stated he could assist the OIG by answering questions pertaining to Mr. Grover's eligibility and that Mr. Grover would cooperate with further questions and could provide documentation as requested related to the HHF eligibility requirements.

Mr. Dubovis responded via email on February 19, 2014, to explain the circumstances regarding Mr. Grover's residency. Mr. Dubovis explained that Mr. Grover did not live at the residence for which he had applied for HHF funds, 3296 Laurel Grove, because in May 2012 he had been in a serious car accident and needed night time care. Mr. Dubovis further explained that Mr. Grover had never moved out of his home in the sense that he maintained the property, the furnishings and all of his possessions except those needed to stay with Ms. Maria (Inma) Rice. Ms. Rice became Mr. Grover's caretaker sometime in June or July of 2012 and did not marry Mr. Grover until June of 2013. He also affirmed that Mr. Grover did not receive rent from Mr. Cooley who was staying at Mr. Grover's residence taking care of the lawn, maintenance of the house and his pets. Mr. Dubovis stated that it was Mr. Grover's intention to return to his home once the foreclosure issue had been settled. Mr. Dubovis stated that Mr. Grover had been improperly served and that the home had been foreclosed upon due to the HOA lawsuit.

On September 19, 2013, a telephone interview was conducted with Ms. Deidre Gomez, HHF Administrator for Project Hope for Housing by the Office of Inspector General. The following represents Ms. Gomez's statement in substance:

Ms. Gomez was the HHF Administrator for Project Hope for Housing, the assigned advisor agency for Mr. Grover. Ms. Gomez stated that she was not aware of any issues related to Mr. Grover's eligibility. She also stated that she would try and contact Mr. Grover using the information she had on file in Counselor Direct (CD); however, she was not successful in making contact with him.

On September 12, 2013, a telephone inquiry was made to the Payroll Office for United Technologies by the Office of Inspector General. The following represents the payroll offices' statement in substance:

The OIG was informed by the payroll operator that Mr. Grover had started full time on February 4, 2013 and was still currently employed. The operator provided a service ticket number 130912-0001514 to confirm this conversation.

SUBJECT INTERVIEWS

On January 16, 2014, a telephone interview was conducted with Mr. Victor Grover by the Office of Inspector General. The following represents Mr. Grover's statement in substance:

Mr. Grover stated that before responding to any questions about his income and residency as were reported on his HHF application, he had to address some legal matters. Mr. Grover was provided the OIG's contact information and he indicated that he should be able to respond within a short period of time. Mr. Grover's attorney, Mr. Dubovis, responded on Mr. Grover's behalf. (See Mr. Dubovis's statement.)

ADDITIONAL ISSUES

Based on information obtained during this investigation, the following additional issue was discovered:

Mr. Grover provided payroll records in his August 21, 2013 Quarterly Touch which showed that he was employed at Carrier in Farmington, Connecticut. The OIG found that Mr. Grover had moved to Connecticut and was employed at Carrier on February 4, 2013 and was still employed there in September 2013. The assigned advisor agency, Project Hope for Housing, did not question Mr. Grover's eligibility when the August Quarterly Touch was received and also did not document receiving a Quarterly Touch in May of 2013. It should be noted that the advisor agency's contract was subsequently terminated.

FINDINGS/CONCLUSIONS

It is alleged that Mr. Grover provided false information on his HHF application. The allegation was supported by Mr. Grover's affidavits provided in a lawsuit with Lake Mandarin HOA. The finding was also supported by Mr. Grover's payroll records indicating that he lived and worked in Connecticut in February of 2013.

Although Mr. Grover may have planned to return to his home, at the time of application (October 4, 2012) and the first payment (March 1, 2013), Mr. Grover was not living at the 3296 Laurel Gove N. location, as stated on the application.

In addition, there were also some eligibility issues. Mr. Grover's eligibility should have ended or the funding should have been reduced when he established full time employment. The HHF Advisor Manual requires recipients to

provide necessary eligibility documentation at the end of each quarter of assistance. From the records in Counselor Direct, it does not appear that Mr. Grover reported his Connecticut employment, which started on February 4, 2013, until August 21, 2013. Second, the foreclosure action filed on November 16, 2012 by the Lake Mandarin HOA and the subsequent foreclosure in June of 2013 would have made Mr. Grover ineligible. The HHF Advisor Manual requires that a homeowner not be entered into foreclosure while receiving HHF assistance.

In accordance with §20.055(6)(c), F.S, on December 8, 2014, this investigation was coordinated with the Florida Department of Law Enforcement (FDLE) for a possible violation of federal and/or state laws, including:

- Title 18, United States Code, §1001, False Statements;
- Section 817.03, Florida Statutes (F.S.), Making false statement to obtain property or credit;
- Section 817.545, F.S., Mortgage Fraud; and/or
- Section 837.06, F.S., False Official Statements.

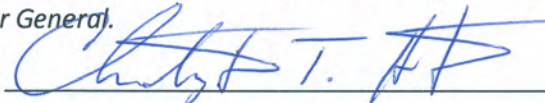
On March 23, 2015, FDLE advised that they would not initiate a criminal investigation.

INSPECTOR GENERAL COMMENTS

The OIG recommends that HHF program management require Mr. Grover to return the HHF funds totaling \$19,803.65 that he was provided in assistance.

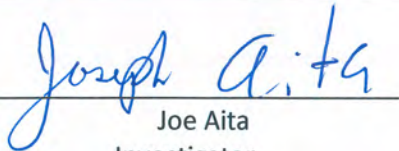
CERTIFICATIONS

This investigation was conducted in compliance with the "Quality Standards for Investigations" found within the *Principles and Standards for the Offices of Inspector General*.



Name, Title, Office of Inspector General

APPROVALS



Joe Aita
Investigator

3/30/15

Date



Chris Hirst
Inspector General

3/30/15

Date