



Florida Housing

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Office of Inspector General

Investigative Report

140114-01

August 22, 2016

Chris Hirst, Inspector General

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General
Investigative Report
Case Number 140114-01**

INTRODUCTION

On January 10, 2014, the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) received an email from Jan Spottswood alleging fraud on the part of Jill Berry Miranda.

The OIG initiated an investigation based on the information provided.

ALLEGATIONS

It is alleged Jill Berry Miranda failed to report rental income while receiving financial assistance through Florida Housing's Hardest Hit Fund (HHF) program. 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 January 2014, to March 2015, the Office of Inspector General staff conducted interviews and reviewed documentation and records as it relates to the allegation. As a result of the investigation, Office of Inspector General staff determined that the allegation of failure to report rental income against Ms. Miranda, was **Supported**. Ms. Miranda received a total of \$22,634.75 in assistance from the HHF program, from 5/30/2013 through 4/10/2014.

COMPLAINANT INTERVIEW

On February 17, 2014, the Office of Inspector General conducted a telephonic interview of Jan Spottswood. The following represents actual and paraphrased statements made by the complainant:

Ms. Spottswood stated Ms. Miranda was receiving rental income, which was not being reported, in order to maintain eligibility for the Florida Housing HHF program. Ms. Spottswood stated she had been a tenant of Ms. Miranda's at her home (3709 Cathedral Oaks Place North, Jacksonville, FL 32217) during the same time period Ms. Miranda had received HHF program assistance. Ms. Spottswood stated that Ms. Miranda required the rent to be paid in cash. Additionally, Ms. Spottswood stated that Ms. Miranda rented rooms to other tenants at this same address, ranging from \$600 to \$750 per month for each room. Ms. Spottswood provided the names and contact information for two additional tenants, David Obstein and Sushant Singh.

Additionally, Ms. Spottswood stated that Ms. Miranda also rented two rooms at 7263 Baymeadows Circle West (Unit 2065), Jacksonville, Florida. Ms. Spottswood stated the property belonged to Ms. Miranda's mother, Glenna

I. Berry, who had passed away in March 2013. Ms. Spottswood provided the names and contact information for the Baymeadows property tenants, Lynne Bashline and Terry Durand.

Finally, Ms. Spottswood stated that Ms. Miranda was keeping her deceased Mother's checking account open to help conceal the rental income from Florida Housing.

DOCUMENTATION/RECORDS ANALYSIS

Ms. Spottswood provided the OIG with copies of cash receipts from May 2013 through August 2013 and October 2013 through December 2013. The cash receipts provided for the seven months totaled \$4,200.00. Additionally, the signature on the cash receipts appears to match Ms. Miranda's signature on her HHF application documents.

The OIG also reviewed Consolidated Lead Evaluation and Reporting¹ reports to corroborate some of the witnesses' testimony. The information corroborated for each witness is listed below:

Jan Spottswood – On 6/17/2013, Ms. Spottswood's address was identified as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217 on an Experian² record.

Lynne Bashline – On 10/8/2013, Ms. Bashline was issued a Florida Driver's License and listed the address as 7263 Baymeadows Circle West (Unit 2065), Jacksonville, FL 32256. Additionally, on 1/21/2014, Ms. Bashline registered her vehicle in Florida (previously Kentucky) and listed the address as 7263 Baymeadows Circle West (Unit 2065), Jacksonville, FL 32256.

Terry Durand – On 10/8/2013, Mr. Durand was issued a Florida Driver's License and listed the address as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217. Additionally, on 11/1/2013, Mr. Durand connected an unknown utility service at the 3709 Cathedral Oaks Place North, Jacksonville, FL 32217 address. Finally, on 7/11/2014, Mr. Durand renewed a vehicle registration in Florida and listed the address as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217.

David Obstein – On 8/7/2013, Mr. Obstein transferred a vehicle title in Florida and listed the address as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217. On 11/12/2013, Mr. Obstein renewed a vehicle registration and listed the address as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217. Additionally, on 11/15/2014, Mr. Obstein was issued a Florida Driver's License (previously New York) and listed the address as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217.

Sushant Singh – Between 1/2013 and 7/2013, a household listing³ was reported as 7263 Baymeadows Circle West (Unit 2065), Jacksonville, FL 32256. On 8/9/2013, Mr. Singh registered a vehicle and listed the address as 7263 Baymeadows Circle West (Unit 2065), Jacksonville, FL 32256. On 10/11/13, Mr. Singh was issued a Florida Driver's License (previously Minnesota) and listed the address as 3709 Cathedral Oaks Place North, Jacksonville, FL 32217.

The OIG reviewed three quarterly eligibility review records available for Ms. Miranda between 7/19/2013 through 1/6/2014. At the time of the initial closing and during each quarter of assistance, the homeowner must supply

¹ **Consolidated Lead Evaluation and Reporting** (CLEAR) is a public records search platform, designed specifically for government and law enforcement use.

² The **Experian** data set contains over 300 million individual records. The Experian records contain credit header data which is defined as non-financial, identifying information located at the top of a credit report, such as name, addresses, phone numbers, date of birth and social security number.

³ The **Household Listing** data set contains household-level consumer information from approximately 250 million individuals, 106 million households, and 57 million homeowners. This information is taken from multiple sources, such as the telephone listings, birth records, driver license data, vehicle registrations, census data, student lists, and other proprietary information.

necessary documentation to the Advisor for continued assistance under the Unemployment Mortgage Assistance Program⁴ (UMAP). The Advisor will need to recalculate each month of the homeowners income, the Asset Test and the 31% Test. The homeowner must remain within eligibility guidelines to continue receiving UMAP assistance.

On each of the quarterly eligibility records reviewed, Ms. Miranda failed to report any of the alleged rental income. Furthermore, by signing the quarterly review checklist, Ms. Miranda certified that all of the information she provided was true and accurate.

WITNESS INTERVIEWS

On February 18, 2014, the Office of Inspector General conducted a telephonic interview of Lynne Bashline. The following represents actual and paraphrased statements made by Ms. Bashline:

Ms. Bashline confirmed she had previously rented from Ms. Miranda at the Baymeadows address from December 2012 through December 2013 for \$680 per month. Ms. Bashline indicated that Ms. Miranda only accepted cash payments; however, Ms. Bashline did not maintain the receipts and had no other way to provide any proof of rent payments.

On February 18, 2014, the Office of Inspector General conducted a telephonic interview of Terry Durand. The following represents actual and paraphrased statements made by Mr. Durand:

At the time of the interview, Mr. Durand confirmed he was currently renting a room from Ms. Miranda at the Baymeadows address beginning in August 2013 through present (February 2014) for \$620-680 per month which included all utilities. Mr. Durand would not provide copies of rent receipts and indicated he would first like to speak with an attorney; however, he did state that he only made rent payments in cash and Ms. Miranda would not accept any other form of payment.

On February 18, 2014, the Office of Inspector General conducted a telephonic interview of David Obstein. The following represents actual and paraphrased statements made by Mr. Obstein:

At the time of the interview, Mr. Obstein confirmed he was currently renting from Ms. Miranda at the Cathedral Oaks address for approximately two years for \$600 per month. Mr. Obstein indicated that all payments to Ms. Miranda had been cash; however, he could not provide receipts. At the time of the interview, Mr. Obstein wanted to remain anonymous because he feared Ms. Miranda would evict him.

On March 31, 2015, the Office of Inspector General conducted a telephonic interview of Sushant Singh. The following represents actual and paraphrased statements made by Mr. Singh:

Mr. Singh stated he rented from Ms. Miranda at the Cathedral Oaks address from August 2013 through December 2013 for \$700 per month cash. Although Mr. Singh indicated that Ms. Miranda had provided cash receipts for each payment, Mr. Singh could not locate the receipts.

SUBJECT INTERVIEWS

In March 2014, the Office of Inspector General conducted a telephonic interview of Jill Berry Miranda. The following represents actual and paraphrased statements made by Ms. Miranda:

⁴ Loan funds can be used to pay monthly mortgage and escrowed mortgage-related expenses (i.e., property taxes, homeowner insurance, and mortgage insurance) until the homeowner can resume payments or for up to 12 months whichever occurs first.

Ms. Miranda was informed of the allegation against her, which she denied. The OIG asked Ms. Miranda to provide a written statement detailing her response to the allegation.

On March 14, 2014, the OIG received correspondence from Ms. Miranda's attorney, Mitch Stone, advising the OIG of his representation of Ms. Miranda. On April 10, 2014, the OIG conducted a conference call with Mr. Stone explaining the allegation against Ms. Miranda. The OIG requested Mr. Stone to provide a written statement detailing Ms. Miranda's response to the allegation. On June 2, 2014, the OIG sent a follow-up email to Mr. Stone requesting a status update regarding Ms. Miranda's statement. As of March 24, 2015, the OIG still has not received a statement or any further correspondence from Mr. Stone or Ms. Miranda.

ADDITIONAL ISSUES

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

Release of final payment after initiation of OIG investigation

On 2/19/2014, the OIG emailed Florida Housing's Homeownership Programs staff to notify them of an active investigation and to request any further payments to Ms. Miranda be suspended until the investigation was complete. Homeownership Programs staff responded on 2/19/2014 to advise the final payment due Miranda had been placed on hold.

Subsequently, while reviewing records, the OIG found that the final payment was made to Ms. Miranda on 4/1/2014, in the amount of \$2,272.91. The OIG contacted Homeownership Programs staff to notify them of the error and to inquire as to why the payment had been released. Staff acknowledged the payment had been mistakenly released even though the subject's file contained a note to hold any future payments. Homeownership Programs Management responded and assured the OIG that steps are being taken to avoid any such errors in the future.

FINDINGS/CONCLUSIONS

It is alleged that Jill Berry Miranda failed to report rental income while receiving financial assistance through Florida Housing's Hardest Hit Fund (HHF) program. The allegation was **Supported**. The finding of supported was based on witness/complainant interviews, documentation provided by the complainant, and records analysis.

In accordance with §20.055(6)(c), F.S., on April 27, 2015, this investigation was coordinated with the Florida Department of Law Enforcement (FDLE) for a possible violation of Section 817.03, F.S. (Making false statement to obtain property or credit), Section 817.545, F.S. (Mortgage Fraud) and Section 837.06 F.S. (False Official Statements).. On May 12, 2016, FDLE advised that they would not initiate a criminal investigation based on the following:

4. Prior to the warrant being executed, this Office was advised by FDLE Agent M. Pentolino that he had been advised by the Florida Housing Finance Corp., OIG, that the individual assigned to assist the suspect with filing-out and filing the required documentation (quarterly statements) was terminated for falsifying documentation for the HHF payments (supplemental income)..
5. Because the State would be required to rely on an employee who was terminated based on the falsification of records, the State will close this matter accordingly and the Arrest Warrant will not be submitted. There is an improbability of conviction.

INSPECTOR GENERAL COMMENTS

The Office of Inspector General does not have any recommendations at this time.

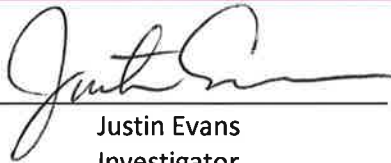
CERTIFICATIONS

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



Name, Title, Office of Inspector General

APPROVALS



Justin Evans
Investigator

8/22/16
Date



Chris Hirst
Inspector General

8-24-16
Date