



Florida Housing

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Office of Inspector General

Investigative Report

150414-01

September 11, 2019

Chris Hirst, Inspector General

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General
Investigative Report
Case Number 150414-01**

INTRODUCTION

On April 14, 2014, the Florida Housing Finance Corporation (Florida Housing), Office of Inspector General (OIG) received a telephone complaint from Rachel Redfern (Ms. Redfern), who alleged fraud on the part of Brandon Pascente (Mr. Pascente), Hardest Hit Funds (HHF) recipient. Specifically, Ms. Redfern stated she rented 604 Basingstoke Court, Kissimmee, FL, 34758 (604 Basingstoke Court), from Mr. Pascente for about a year [March 2014-April 2015], and that court records showed he was a HHF Program funds recipient, who should not have been renting his home.

According to HHF Program documents, Mr. Pascente applied for HHF Program funds on June 18, 2014, and reported his primary address as 604 Basingstoke Court. On March 11, 2015, he was approved for HHF Program funding, and his lender received a Modification Enabling Pilot Program (MEP) payment totaling \$27,804.35 on April 2, 2015.

The OIG initiated an investigation based on the information provided.

ALLEGATIONS

Mr. Pascente allegedly committed fraud providing false information regarding his primary residence on his HHF MEP application. The HHF Advisor manual, as of July 2013, and the MEP loan documents require 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 817.034, 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 April 14, 2015 until December 4, 2015, the OIG staff conducted interviews and reviewed significant documentation/records related to the allegation. As a result of the investigation, the OIG determined that the allegation of fraud by Mr. Pascente's submission of false information regarding his primary residence on his HHF MEP application was **Supported**.

COMPLAINANT INTERVIEW

On April 14, 2015, a telephone interview was conducted with Ms. Redfern, by the OIG staff. The following represents actual and paraphrased statements made by Ms. Redfern:

Ms. Redfern stated she had been renting the home located at 604 Basingstoke Court from Mr. Pascente for almost one year. According to Ms. Redfern, she has not spoken to Mr. Pascente, but

her husband, Robert Bailey (Mr. Bailey), could testify to his conversations and experiences with him. According to Ms. Redfern, Mr. Bailey argued with Mr. Pascente, who had been attempting to evict them from the home. She explained that Mr. Pascente even brought new tenants to the home and had police come to house.¹

Ms. Redfern also stated that Mr. Pascente attempted to evict them, move in a new tenant, and tried to terminate their utilities. Ms. Redfern explained that when she went to the courthouse, she realized Mr. Pascente had received HHF Program funds and should not have been renting his home.

In a facsimile dated April 21, 2015, Ms. Redfern provided the documents listed below in support of her statements that she rented the home from Mr. Pascente:

- Copies of the lease, cancelled checks, money orders, text messages, and utility statements pertaining to their rental arrangement (Exhibit 1); and
- A copy of a rental listing of 604 Basingstoke Court (Exhibit 2) from Craig's List (Orlando> housing> apts/housing for rent) which states, "Please Call Brandon @ 407-914-9008²," and the property was reported as "available feb 18."

DOCUMENTATION/RECORDS ANALYSIS

Reviews were conducted by the OIG staff of the documents associated with Mr. Pascente's HHF Program funding, which included the: the MEP loan eligibility determination packet; HHF application; and the MEP Loan Packet³ (Loan # 39557). The results of the reviews are listed below by related documents:

- The following documents were included in the MEP loan eligibility determination packet (Exhibit 3):
 - A Letter dated December 17, 2013, to Margo Woodard, HANDS of Central Florida, from Attorney Timothy Keyser, who stated, "Enclosed is an original quit claim deed executed by Benny A. Pascente [Mr. B. Pascente]. Advise if you need anything further";
 - A Quit Claim deed dated December 16, 2013, which Mr. B. Pascente signed releasing 604 Basingstoke to Mr. Pascente; and
 - None of the supporting documents listed Mr. Pascente's mailing address as 604 Basingstoke Court.
- On July 10, 2014, Mr. Pascente certified 604 Basingstoke Court was his primary residence on his HHF Intake Form (Exhibit 4).
- On March 30, 2015, Mr. Pascente signed the MEP Loan documents (Exhibit 5) and acknowledged the requirements regarding his principal residence as listed below by document:
 - The **Summary Disclosure of Loan Terms** and the **Rider to Promissory Note** both state:

The MEP assistance will be provided by the Lender as an upfront, forgivable loan to eligible homeowners secured by a second mortgage on the homeowner's principal residence.

¹ Ms. Redfern stated Deputy Wasmud, Osceola County Sheriff's Office (OCSO), completed a report (OCSO No. 151020383); however, an OCSO records clerk stated this is the incident number and a report was not written due to it being a civil matter.

² According to www.WhitePages.com, this is a private cellular telephone number with T-Mobile in the Orlando, Florida.

³ The MEP Loan # 39557 packet³ contained a Promissory Note, Rider to Promissory Note, and a Subordinate Mortgage document.

- The **Rider to Promissory Note**:
 - Lists the property address as 604 Basingstoke Court; and
 - **Item D. Borrower's Representations and Warranties** states (emphasis added):

The Borrower represents and warrants to the Lender that, as of the date of this Rider, the following statements are true and correct and may be relied upon by the Lender in advancing loan proceeds on the Borrower's behalf: . . . (ii) **the Property is the Borrower's principal residence, and the Borrower occupies and resides on the Property as the Borrower's principal residence. . .**

- On the **Promissory Note**, Mr. Pascente promised to pay \$27,804.35⁴ and also acknowledged the following (emphasis added):

Item 7. DEFAULT

(A) Default. I will be in default under this Note if: (i) I do not repay the MEP Loan as required in section 4 above; **(ii) I submit incomplete, false or misleading information to the Lender, or anyone acting on Lender's behalf, before or after the approval of this MEP Loan;** (iii) **I make any representation or warranty in connection with the MEP Loan which was not true and correct at all relevant times;** or (iv) I fail to provide to the Lender, or to anyone acting on Lender's behalf, on a timely basis any information required by the Lender in order for the Lender to monitor my continuing compliance with the terms and conditions of this Note. **At the Lender's option, I may be declared in default if I fail to comply with any of the terms and conditions in the Loan Documents or in any commitment or approval letter issued to me in connection with the MEP Loan. If I am in default, the Lender may, at its option, enforce this Note by any lawful means and require me to pay the Lender's costs and expenses as described in (D) below. . .**

- Mr. Pascente acknowledged on the **Subordinate Mortgage**, the following (emphasis added):

Item 20 Special Provisions:

(a) Default. In addition to any other event of default under this Mortgage, the Borrower will be in default if any of the following occur: **i) if Borrower submits incomplete, false or misleading information to the Lender before or after the approval of the Loan;** (ii) **Borrower violates any terms and conditions of the Note, the terms and conditions of which are incorporated herein by reference, or any other loan document governing the Loan;** (iii) **if any representation or warrant made by the Borrower in connection with the Loan was not true and correct at all relevant times;** or (iv) if Borrower fails to provide to the Lender on a timely basis any information required by the Lender in order for the Lender to monitor Borrower's continuing compliance with the terms and conditions of the Loan.

The OIG staff conducted the following additional activity associated with Mr. Pascente and 604 Basingstoke Court:

- Searches of the Osceola County Property Appraiser's (OCPA) and Osceola County Tax Collector's office websites revealed:
 - On December 10, 2007, Mr. Pascente and his father, Mr. B. Pascente, purchased the property (Exhibit 6);

⁴ According to the HHF Program records files on the Counselor Direct (CD) database, a payment totaling \$27,804.35 was made on Mr. Pascente's behalf on April 2, 2015.

- On October 10, 2014, the OCPA acknowledged receipt of application for Homestead Exemption to Mr. Pascente and Mr. B. Pascente (Exhibit 7); and
- The 2015 proposed and actual Notice of Ad Valorem Taxes and Non-Ad Valorem Assessment were address to Mr. Pascente and Mr. B. Pascente and listed exemptions as “First Homestead \$25,000” and “Additional Homestead \$25,000” (Exhibit 8).

NOTE: Based upon this information, Mr. Pascente and Mr. B. Pascente are still both listed as the owners of 604 Basingstoke Court. As reported above, a Quit Claim Deed signed by Mr. B. Pascente was provided to the advisor by Mr. Keyser during Mr. Pascente’s HHF Program/MEP loan application process on December 17, 2013 (See Exhibit 3). However, it appears that the Quit Claim Deed may not have been filed with/or recorded by the Osceola County Clerk of the Court.

Parcel: 252628611213300010		PATSY HEFFNER, CFC OSCEOLA COUNTY TAX COLLECTOR 407-742-4000	
2015 Tax Property Record Card Map Image Tax Collect		PARCEL ACCOUNT NUMBER	ESCROW CD
Owner Information Owner Name: PASCENTE BRANDON A PASCENTE BENNY A Holding Address: 604 BASINGSTOKE CT KISSIMMEE, FL 34758 Physical Address: 604 BASINGSTOKE CT, KISSIMMEE, FL 34758 Description: SINGLE FAMILY IMPROVED Tax District: 300 - OSCEOLA COUNTY		R252628-611213300010	211740
PASCENTE BRANDON A PASCENTE BENNY A 604 BASINGSTOKE CT KISSIMMEE, FL 34758			

- Review of reports from the Consolidated Lead Evaluation and Reporting (CLEAR)⁵ database, revealed the following addresses for Mr. Pascente during the time period of 2008 to present:

Date Range	Address	Source	Reported Date(s)
10/01/1991 - 01/29/2015	2735 Summerfield Rd Winter Park, FL 32792⁶ Phone: (407) 914-6688 Line Type: Cellular or Beeper Phone: (407) 452-1100 Line Type: Residence Phone: (407) 323-4793 Line Type: Residence Phone: (407) 247-2003 Line Type: Cellular	Experian Gateway Experian Household Listing TransUnion Gateway TransUnion Utility Drivers	07/07/2011 - 01/29/2015 07/07/2011 - 01/29/2015 01/01/2010 - 01/01/2015 10/01/1991 - 08/01/2014 06/13/2014 - 06/13/2014 07/03/2007 - 01/17/2014 12/02/2013 - 12/02/2013
12/02/2013 - 08/20/2014	2915 Stone Glen Way 113 Winter Park, FL 32792	New Movers Utility Experian Gateway Experian TransUnion Drivers Household Listing	08/20/2014 - 08/20/2014 07/13/2014 - 07/13/2014 06/30/2014 - 06/30/2014 06/30/2014 - 06/30/2014 06/13/2014 - 06/13/2014 12/02/2013 - 12/02/2013 01/01/2014 - 05/01/2014
01/05/2008 - 03/21/2009	604 Basingstoke Court Kissimmee, FL 34758	Experian Gateway Experian License Plate K103TU	01/05/2008 - 08/09/2008 01/05/2008 - 08/09/2008 07/25/2008 - 03/21/2009

- CLEAR also provided a phone listing as associated with the address of 604 Basingstoke Court for a Norman Bailey, telephone number of 407-201-7829, but it did not provide a timeframe of the reporting of this information.

⁵ Consolidated Lead Evaluation and Reporting (CLEAR) is a public records search platform, designed specifically for government and law enforcement use.

⁶ This address was listed as associated with Mr. B. Pascente for the time period of July 14, 2006 – through the date of the CLEAR report May 14, 2015.

NOTE: As previously reported above, Mr. Pascente certified 604 Basingstoke Court was his primary residence on his HHF Intake Form dated July 10, 2014. However, the CLEAR report lists the only timeframe of this address being associated with Mr. Pascente was from January 2008 through March 2009 based on reports from Experian and vehicle registration.

- Searches of the Osceola County Clerk of the Courts website provided the following information from court dockets of the cases associated with Mr. Pascente and 604 Basingstoke Court:
 - On April 3, 2009, the BAC Home Loans Servicing LP and Christina Trust, filed a Mortgage Foreclosure Complaint against Mr. Pascente and Mr. B. Pascente (Exhibit 9);
 - The foreclosure case was ongoing from April 3, 2009 to May 8, 2015; and
 - On May 8, 2015, the foreclosure case was dismissed/case closed, based on a motion filed by the lender.
 - On April 16, 2015, Ms. Redfern/Mr. Bailey filed an Eviction case against Mr. Pascente (Exhibit 10):
 - They filed a motion for “temporary and/or preliminary injunction against lock-out and other prohibited practices”; and
 - The request was denied/case closed on April 20, 2015.
 - On April 21, 2015, Mr. Pascente filed an Eviction case against Ms. Redfern/Mr. Bailey (Exhibit 11);
 - On May 15, 2015, Mr. Pascente’s case was closed with a Final Judgement for Possession.
 - On April 29, 2015, Ms. Redfern/Mr. Bailey filed a counter suit against Mr. Pascente (Exhibit 12) based on the eviction case. This case is still listed as open.

WITNESS INTERVIEWS

On July 9, 2015, a telephone interview was conducted with Mr. B Pascente by the OIG staff. The following represents actual and paraphrased statements made by Mr. B. Pascente:

Mr. B. Pascente indicated that he had signed the title of the property in Kissimmee over to his son, and that he has had nothing to do with the property since then. Mr. B. Pascente said he thinks his son now lives in Orange County Florida. Mr. Pascente said he does not visit his son, but does correspond via text messages with him.

He explained that he did recall his son had rented the home, the tenants had moved out, but said he did not know details about the timeframe of the activity or who the tenants were.

SUBJECT INTERVIEWS

On July 1, 2015, an e-mail message was sent to Mr. Pascente requesting he contact the OIG regarding questions about his HHF file, but the e-mail was returned. Due to the possible referral of the case to law enforcement for review, there were no additional attempts to contact him.

ADDITIONAL ISSUES

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

As reported above, Mr. Pascente and Mr. B. Pascente were granted Homestead Exemption on the property in 2015; however, the property was rented to Ms. Redfern and Mr. Bailey from March 2014 until April 2015. In

addition, Ms. Redfern reported Mr. Pascente attempted to evict them in order to allow a new tenant to move into the property. Therefore, this matter was referred to the OCPA for review of possible Homestead Exemption violations in accordance with §20.055(6)(c), F.S., which requires the OIG to conduct, supervise, or coordinate other activities carried out or financed by that state agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.

FINDINGS/CONCLUSIONS

It is alleged that Mr. Pascente provided false information on his HHF MEP application by indicating that his property securing the loan, 604 Basingstoke Court was his primary residence. The allegation was **supported** by the documents: provided by Ms. Redfern, from Mr. Pascente's HHF MEP application/loan, and from the Osceola County Clerk of the Court. Therefore, based upon these findings, Mr. Pascente is in default of the terms of the MEP Loan because he provided false or misleading information about his primary residence to the Lender and the HHF advisor during relevant times.

In accordance with §20.055(7)(c), F.S., on December 21, 2015, this investigation was coordinated with the Florida Department of Law Enforcement (FDLE) and the 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 August 28, 2019, Vivian Vega, Special Agent, Office of the Special Inspector General for Troubled Asset Relief Program (SIGTARP), who had worked in conjunction with FDLE, provided the following update from Michael E. Williams, Esq. Assistant State Attorney, Economic Crimes Unit, Office of Aramis D. Ayala State Attorney:

. . . We do not have enough to prove this charge beyond and to the exclusion of any reasonable doubt.

INSPECTOR GENERAL COMMENTS

The OIG recommends: HHF Program Management require Mr. Pascente return the remaining balance of the HHF Program assistance funds totaling \$11,217.83⁷; and that a demand letter be sent to Mr. Pascente by Florida Housing General Counsel staff.

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*.

Melanie Yopp, Director of Investigations

Name, Title, Office of Inspector General

⁷ On July 18, 2018, Mr. Pascente sold the home and Florida Housing received a partial payment of \$16,586.52 towards the outstanding balance of \$27,804.35.

APPROVALS



Melanie Yopp
Director of Investigations



Date



Chris Hirst
Inspector General



Date

