



# Florida Housing

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## **Office of Inspector General**

Investigative Report

170120-01

October 29, 2018

**Chris Hirst, Inspector General**

Enhancing Public Trust in Florida's Affordable Housing

**Office of Inspector General  
Investigative Report  
Case Number 170120-01**

**INTRODUCTION**

In an email dated January 20, 2017, Nicole Gibson, Assistant Director, Homeownership Program, notified the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) that Samuel Tekle, Hardest Hit Fund (HHF) Program recipient, had moved out while he was still receiving HHF Program assistance on his primary residence of 7916 Georgia Jack Dr. N., Jacksonville, FL. According to Ms. Gibson (paraphrased):

- HHF Program recipients are sent 1098-MA tax forms each year;
- Mr. Tekle's form was returned with no forwarding address;
- The latest quarterly touch [QT] shows a Texas mailing address on the most recent mortgage statement;
- His HHF Program payments were terminated;
- His HHF Advisor was notified; and
- The HHF Advisor, Katria Watkins, and her supervisor, Debbi Jarrie, contacted Mr. Tekle on January 20, 2017, and provided the following synopsis:

He initially told me that he doesn't know what I am talking about; that he's in Florida right now. Once Debbi began speaking he stated that he moved to Texas 'around September' because he's looking for work and he 'cannot afford the mortgage.'

The OIG initiated an investigation based on the information provided.

**ALLEGATIONS**

It is alleged that Samuel Tekle committed fraud by failing to notify his HHF Advisor that he had leased his primary residence, during a time period of receiving HHF Program funds. The 2015 HHF Advisor Guide and the HHF Program 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 January 20, 2017, to April 11, 2017, the OIG staff conducted interviews and reviewed significant documentation/records as it relates to the allegations. As a result of the investigation, OIG staff determined that the allegation of fraud against Mr. Tekle, who failed to notify his advisor that he had leased his primary residence during a time period of receiving HHF Program funds, was **Supported**. However, Mr. Tekle's outstanding balance of \$10,630.80 was paid in full after he entered into a repayment agreement with Florida Housing on May 23, 2017, and subsequently paid off the loan on July 11, 2018, after the sale of his home.

## COMPLAINANT INTERVIEW

Although Ms. Gibson reported the complaint to the OIG, Katrya Watkins, HHF Advisor, and her supervisor Debbie Jarrie, both had knowledge of Mr. Tekle and the processing of his file. Therefore, on February 3, 2017, OIG staff conducted a recorded interview of Ms. Watkins and Ms. Jarrie. During the interview, Ms. Watkins stated the following (paraphrased):

- She received an email from a HHF Program Advisor stating that it appeared that Mr. Tekle had moved out;
- She and Ms. Jarrie called Mr. Tekle and asked him whether he was still living in the home and he said 'yes';

During the interview, Ms. Jarrie stated the following (paraphrased):

- They took a "closer look" at his file and noticed Mr. Tekle's mailing address on his mortgage statement had been changed to a Texas address and they believed he had relocated;
- So, during their call with him, they "pushed it further";
- She read him a small disclosure about committing fraud and their obligation to report any fraud;
- She explained that it would be investigated and he could be charged with fraud;
- When she asked him again, whether he lived in Florida or had he relocated to Texas, he said 'yes' he had relocated because there were no jobs in Florida;
- They explained to him that his HHF Program payments would be suspended because he must live in the home as his primary residence in order to receive the benefits;
- He seemed to be nervous as he said he wants to live in the home; and
- When they asked him when he moved out, he did not provide an exact date, but said it was in September [2016].

## DOCUMENTATION/RECORDS ANALYSIS

OIG staff conducted reviews of the documents associated with Mr. Tekle's HHF Program funding, which included: the HHF Program files on the Counselor Direct (CD) database, the HHF Program loan documents (Loan #78437), and the HHF Program funding information. The results of the reviews are listed below by related documents, which are listed in bold:

### HHF Program Application

On November 17, 2015, Mr. Tekle signed the HHF Program loan eligibility determination documents (Exhibit 1).

- On his **HHF Intake Form**, which is the HHF Program application, Mr. Tekle certified:
  - His primary reason for his hardship was due to "unemployment"; and
  - 7916 Georgia Jack Dr. N. was his primary residence;
- In his **Hardship Letter**, Mr. Tekle stated (paraphrased):
  - His hardship began on June 18, 2015;
  - He was honorably discharged from the military after 14 years, due to the Navy downsizing its forces;
  - He was unemployed and was working on some issues to gain employment;
  - He had exhausted his unemployment benefits;
  - His mortgage company gave him the option of a short sale; and
  - He did not want to sell his home, but he was "trying to make a living."
- By signing his **HHF Homeowner/Advisement Contract**, Mr. Tekle agreed to several items, with two relevant items listed below:
  - I/we will always provide honest and complete information to my/our HHF Advisor, whether verbally or in writing;
  - I/we will contact the HHF Advisor about any changes in our situation immediately; and

- I/we authorize Florida Housing & HHF Advisor Agency and/or lender and/or servicer handling my/our loan to verify employment, income or assets in conjunction with qualification for assistance.
- On his **Hardship Affidavit**, Mr. Tekle made certifications to ten items, and the items related to the allegations are listed below:
  1. Under penalty of perjury. I/we certify that all of the information in this affidavit is truthful and the event(s) identified above has/have contributed to my/our financial hardship.
  2. I/we understand and acknowledge that FHFC & HHF Advisor and/or its agents may investigate the accuracy of my/our statements, may require me/us to provide supporting documentation, and that knowingly submitting false information may violate Federal and/or state law.
  4. I/we understand that if I/we have intentionally defaulted on my/our existing mortgage, engaged in fraud or misrepresented any facts(s) in connection with this Hardship Affidavit, or if I/we do not provide all of the required documentation, I may not qualify for HHF assistance.
  10. In making this certification, I/we certify under penalty of perjury that all of the information in this document is truthful and that I/we understand that the Servicer, the U.S. Department of Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate federal law.

**HHF Program Loan Documents**

On January 20, 2016, Mr. Tekle signed the HHF Program Loan documents (Exhibit 2), certifying:

- As stated on the **HHF Approval Letter**:

... Your signature means that you agree to fulfill your obligations under the Florida Hardest Hit Fund, and if you do not fulfill those obligations, your participation and eligibility for assistance under the program(s) described above may be terminated. In addition, if at any time it is determined that you provided inaccurate or false information, or withheld information, in making application for assistance under the Florida Hardest Hit Fund, or if you fail to notify Florida Housing of events that would disqualify or render you ineligible for further assistance under the program(s) described above, your participation in the program(s) will be automatically terminated.

- On the **Promissory Note**, the property address was listed as 7916 Georgia Jack Dr. N., and Mr. Tekle acknowledged the following (emphasis added):

**Item 7. DEFAULT**

**Default. I will be in default under their Note if: (i) I do not repay the HHF 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 their HHF Loan; or (iii) 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 Lenders' 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 the HHF Approval Letter issued to me in connection with the HHF Loan. If I am in default, the Lender may, 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. . .**

**Item 11. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

**If more than one person signs this Note, each of us is fully and personally obligated (jointly and severally) to pay the full amount owed and to keep all of the promises made in this Note. The**

Lender may enforce its rights under this Note against each of us individually or against all of us together and may enforce its rights against any of us in any order. This means that any one of us may be required to pay all of the amounts owed under this Note. Notwithstanding the terms and conditions in this section 11, the personal liability of any Borrower is limited in the manner and to the extent as provided in section 12 below.

**Item 12. LIMITS ON PERSONAL LIABILITY**

**(B) The Borrower shall be personally liable to the Lender for the full repayment of the indebtedness evidenced by this Note if the indebtedness, or any portion of the indebtedness, is obtained or created as a result of fraud or misrepresentation, including the submission of false, misleading or incomplete information, by the Borrower in connection with the application for or creation of the indebtedness or in connection with any advance or disbursement of the indebtedness made by the Lender on Borrower's behalf during the term of this Note.**

- The **Rider to Promissory Note** states (emphasis added):

**Item D. Conditions to Lender's Agreement to advance HHF Loan Proceeds.** In addition to the conditions described in C.I.(b) above, The Lender's agreement to advance the HHF Loan proceeds under C. above is subject to and conditioned upon the following: **(i) The Borrower must occupy the Property at all times as the Borrower's primary residence; (ii) the Borrower must continue to suffer financial hardship in the form of unemployment, underemployment, or reduced income from self-employment such that the Borrower lacks sufficient income to resume making the monthly mortgage payments required under the Borrower's First Mortgage Loan or to reinstate the loan; (iii) the Borrower must provide to the Lender of to the Borrower's assigned HHF advisor on a quarterly basis documentation and evidence necessary to demonstrate that the Borrower continues to suffer financial hardship. . .**

- On the **Subordinate Mortgage**, the property address was listed as 7916 Georgia Jack Dr. N., and Mr. Tekle acknowledged the following (emphasis added):

**PROVIDED ALWAYS that if Borrower shall pay to Lender, all sums due or to become due under the Note or this Mortgage and shall perform, comply with, and abide by each and every stipulation, agreement, condition, and covenant of the Note and of this Mortgage. . .**

**Item 15. Acceleration; Remedies.** Upon the Borrower's breach of any covenant or agreement of the Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, or in the event that the Borrower shall have made a material misrepresentation or material omission in Borrower's application for the loan evidenced by the Note, **Lender, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. . .and**

**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) if 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 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.**

### HHF Program Funding and QTs

Between January 29, 2016 and January 1, 2017, Mr. Tekle's mortgage lender received HHF Program funding on his behalf, which consisted of:

- Eleven months of payments from the Unemployment Mortgage Assistance Program (UMAP) totaling \$9,872.22; and
- Two Mortgage Loan Reinstatement Program (MLRP) payments of:
  - \$901.65 on January 29, 2016; and
  - \$217.59 on April 8, 2016.

During that time, Mr. Tekle provided information and explanations to his HHF Advisor for the closing of his HHF Program loan and as required for his QTs. The information he provided is listed below by the date he provided the documents, with the related documents listed in bold:

- On January 20, 2016 (Exhibit 3), Mr. Tekle:
  - Said he was still unemployed, but was attending classes;
  - Provided copies of his mortgage statement, which listed his address as 7916 Georgia Jack Dr. N.;
  - Provided copies of his Navy Federal Credit Union (CU) bank statements, which listed his address as PO Box 440512, Jacksonville, FL 32222; and
  - Certified on a **Zero Income Affidavit**, the he had not received any income from sources such as wage, rental income from real or personal property, and unemployment or disability payments.
- On April 2, 2016 (Exhibit 4), Mr. Tekle:
  - Explained that he was laid off from his previous position, but was in a training program for a new job and would earn a salary soon;
  - Provided earning statements from Swift Transportation Co. AZ LLC, Phoenix, Arizona, which show he was receiving income as a student driver, with his address listed as 7916 Georgia Jack Dr. N.; and
  - Provided copies of his mortgage and bank statements, with the same address information as listed above.
- On July 1, 2016 (Exhibit 5), Mr. Tekle:
  - Said he was terminated from his previous job, and was seeking new employment;
  - Provided a copy of a **Performance Counseling Report** from his previous employer, Swift, which reported his department/terminal was Ocala, that he had a "Crash – 4/19/16 right turn," and a "Speed policy violation – 3/3/16," which were the reasons for his termination;
  - Provided copies of his July 2016 mortgage statement, which listed his address as 6667 Georgia Jack Dr., Jacksonville, FL 32244,<sup>1</sup> a different address from his home address of 7916 Georgia Jack Dr. N.;
  - Provided copies of his Navy Federal CU statement, with the same PO Box information; and
  - Certified on a **Zero Income Affidavit dated July 7, 2016**, the he had not received any income from sources such as wage, rental income from real or personal property, and unemployment or disability payments.
- On October 4, 2016 (Exhibit 6), Mr. Tekle:
  - Said he was terminated or laid off from his previous job on May 26, 2016, Swift Transportation Company, and he was seeking new employment;
  - Provided copies of his October 2016 mortgage statement, which listed his address as 9600 Forest Lane, Apt. 1221, Dallas, TX 75243, which was different than the other two addresses listed of the previous statements (6667 Georgia Jack Dr., and 7916 Georgia Jack Dr. N., which was his home address); and
  - Provided copies of his Navy Federal CU statement, with the same PO Box information.

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<sup>1</sup> Searches of the Duval County Property Appraiser's (DCPA) lists the owner of this property as Daniel H. Tekle.

### Searches of a Database and the Internet

The OIG staff also conducted searches for additional information associated with Mr. Tekle and 7916 Georgia Jack Dr. N., on the following:

- The Consolidated Lead Evaluation and Reporting (CLEAR)<sup>2</sup> database;
- The Duval County Property Appraiser's (DCPA) and the Duval County Tax Collector's Office; and
- The real estate website Zillow ([www.Zillow.com](http://www.Zillow.com)) (Exhibit 7).

Based upon the documents reviewed, a timeline of activity (Exhibit 8) was created. A portion of this timeline is listed below regarding Mr. Tekle vacating the property while still receiving HHF program funds.

Timeline of Activity - Samuel Tekle OIG Case #170120-01	
Date	Activity
5/15/15-11/15/15*	The CLEAR Report shows the address 6667 Georgia Jack Dr., Jacksonville, FL 32244, was associated with Mr. Tekle on a phone record.
8/6/15	Mr. Tekle started the HHF Program application process
2/22/13-6/30/16*	A utility listing was reported for Mr. Tekle at 6870 103rd St., Apt. 1014, Jacksonville, FL 32210.
11/17/15	Mr. Tekle signed his HHF Program application, certifying that 7916 Georgia Jack Drive N. was his primary residence/owner occupied.
12/10/15-2016	Mr. Tekle's Navy Federal Credit Union statement was sent to his mailing address of PO Box 440512, Jacksonville, FL 32222
	Samuel Tekle received Homestead Exemption status on his property.
1/18/16	Zillow shows the rental listing for 7916 Georgia Jack Dr. N. had a price change.
1/20/16	During the review after he closed on the HHF Program loan, Mr. Tekle certified that he was not receiving income from "rental income from real or personal property."
1/29/16	\$901.65 MLRP reinstatement payment was made on Mr. Tekle's behalf
2/2/16	Zillow shows the rental listing for 7916 Georgia Jack Dr. N. had a price change.
3/1/16	\$901.65 monthly UMAP payment was made on Mr. Tekle's behalf
3/21/16	Zillow shows the listing to rent 7916 Georgia Jack Dr. N. was removed.
4/1/16	\$901.65 monthly UMAP payment was made on Mr. Tekle's behalf
4/2/16	During his first quarterly touch (QT), Mr. Tekle did not make any certifications about his residence or rental income, and the mailing address listed on the documents was either for the property or for PO Box 440512, Jacksonville, FL 32222.
5/1/16	\$901.65 monthly UMAP payment was made on Mr. Tekle's behalf
6/1/16	Mr. Tekle's mortgage statement listed his address as 6667 Georgia Jack Dr., Jacksonville, FL 32244, which is owned by Daniel Tekle.
6/1/16	\$901.65 monthly UMAP payment was made on Mr. Tekle's behalf
6/21/16	Experian reported Mr. Tekle's address as 9600 Forest Lane Apt 1221, Dallas, TX 75243.
7/7/16	During his second quarterly touch (QT), Mr. Tekle provided the mortgage statement referenced above, with Daniel Tekle's address. He also certified that he was not receiving income from "rental income from real or personal property."
7/17/16-12/22/16	The Clear Report shows the address 8969 Skillman St., Dallas, TX 75243 is associated with Mr. Tekle for a utility listing.
7/1/16	\$901.65 monthly UMAP payment was made on Mr. Tekle's behalf
4/8/16	\$217.59 MLRP reinstatement payment was made on Mr. Tekle's behalf
8/1/16	\$895.34 monthly UMAP payment was made on Mr. Tekle's behalf
September 2016	When questioned by his HHF Advisor, Mr. Tekle initially denied he had moved and stated that he was still in Florida. However, he stated that he moved to Texas "around September" because he was looking for work and "cannot afford the mortgage."
9/1/16	\$895.34 monthly UMAP payment was made on Mr. Tekle's behalf
10/4/16	During his third quarterly touch (QT), Mr. Tekle provided a copy of his mortgage statement, which listed his address as 9600 Forest Lane, Apt 1221, Dallas, TX 75243. He also certified that he was not receiving income from "rental income from real or personal property."
10/1/16	\$895.34 monthly UMAP payment was made on Mr. Tekle's behalf
11/1/16	\$895.34 monthly UMAP payment was made on Mr. Tekle's behalf
12/1/16	\$895.34 monthly UMAP payment was made on Mr. Tekle's behalf
1/1/17	\$887.27 monthly UMAP payment was made on Mr. Tekle's behalf

Color Key
CLEAR Report - *The date ranges include the oldest and the newest dates reported
Duval County Property Appraiser's Office and Tax Collector's homestead exemption information from the real estate website Zillow
HHF Program payments
HHF Program and HHF Advisor activity (application/loan documents, along with quarterly touches)

<sup>2</sup> Consolidated Lead Evaluation and Reporting (CLEAR) is a public records search platform, designed specifically for government and law enforcement use.

## FLORIDA HOUSING MANAGEMENT REVIEW

As previously reported above, Ms. Gibson, provided the details of her review of this matter when she notified OIG staff of the complaint. Ms. Gibson also suspended Mr. Tekle's HHF Program funding just prior to notifying the OIG. In an email dated April 6, 2017, Ms. Gibson stated the following regarding Mr. Tekle's obligation to repay the HHF Program funds that he received while not living in the home:

He gets no forgiveness and since he defaulted he should be charged default interest. As for the repayment terms, I don't have an opinion. The shorter the time he takes to pay the less interest he would be charged.

Note: On previous cases, Ms. Gibson has explained that HHF Program recipients, would owe from the date they move out of the home during the funding time period.

## SUBJECT INTERVIEWS

On March 30, 2017, OIG staff conducted a recorded telephone interview with, Mr. Tekle, who stated the following (paraphrased):

- He purchased the home when he was active duty with the military and was then deployed;
- He separated from active duty in June 2015 and returned to his home;
- He was looking for a job, but was struggling with the transition from military to civilian life;
- He stayed in his home for about six months without a job;
- He acquired his CDL [commercial driver's license];
- He started working with Swift Company, while still living in his home;
- He was looking for a better job and applied for open positions with the United States Post Office (Post Office);
- In October 2016, he was hired to work at the Post Office in Dallas, TX;
- He moved to Dallas, rented the home, but said he did not know he had to inform his HHF advisor of the situation;
- When asked about a utility listing for an apartment in Jacksonville, he said that was incorrect;
- When asked about a PO Box listed on some of his records, he said he started using it after he started to work as a driver;
- When asked about his home being listed for rent on Zillow on January 18, 2016, he said he could not remember the exact date, but he had considered selling or renting the home;
- When asked about Zillow records showing the rental listing for his home was removed on March 21, 2016, he said, "yes";
- When asked about an address listed on his June 2016 mortgage statement as 6667 Georgia Jack Dr., Jacksonville, FL, Mr. Tekle said:
  - The home belongs to his cousin, Daniel Tekle;
  - He never lived there;
  - He uses his PO Box for mail; and
  - He is not sure why the address was on the statement.
- When asked about an address of 9600 Forest Lane Apt 1221, Dallas, TX 75243, being listed as associated with him on June 21, 2016, Mr. Tekle said:
  - He had not moved to Dallas at that time;
  - He used that address because he had orientation with Swift Company in Dallas (Swift);
  - He used that address to submit all his paperwork to Swift; and
  - He was driving the truck for Swift, but still living in his home in Jacksonville.



- When asked where he lived when he moved to Dallas, he said he stayed with his brother at 8849 Fair Oaks Crossing Dr., Dallas, TX 75243;
- His current address is 12365 Plano Rd., Apt 3308, Dallas TX, and he signed the lease for that apartment in February 2017;
- When asked for the date of his lease agreement and the name of his tenant(s), Mr. Tekle said he thought it was in April 2016 and he would provide the name of his realtor;
- The requirement to own and occupy the home during HHF Program funding was discussed again and to confirm whether he knew to notify his HHF Advisor about his move, he said, "No, ma'am, not at all. In fact, I did not know anything about the housing program. I asked them to help me out with the mortgage";
- He would like to eventually return to Jacksonville and live in the home in the future;
- He will try to transfer back to Jacksonville, FL, when it becomes available;
- He would like to enter into a repayment agreement to repay the amount of HHF Program funds that he received after he moved out of the home; and
- He apologized and said he made a mistake, but said he had no intent "to play the system".

After the interview, he provided an email from his realtor stating the tenants moved in his home on March 3, 2016. The email is listed below:

**From:** Samuel Tekle [mailto:samuelghebriel@gmail.com]  
**Sent:** Thursday, March 30, 2017 9:42 AM  
**To:** Melanie Yopp <Melanie.Yopp@floridahousing.org>  
**Subject:** please reply up on received

On Mar 30, 2017 8:33 AM, "Denise Greenwood" <facb1c9d2de46d481816@riveroak.mailer.appfolio.us> wrote:  
 Samuel,  
 The tenants moved into 7916 Georgia Jack, on March 3, 2016. The rent payment is \$1050 per month less management fees.  
 Thank you

Denise Greenwood  
 Broker Associate / Property Manager

River Oak Realty, Inc  
 904-276-3000 |

Note: When Ms. Watkins and Ms. Jarrie originally asked Mr. Tekle whether he had moved out, he initially said he was still in Florida. However, he then admitted he had moved to Texas, but said he moved in September 2016. In addition, on his **Zero Income Affidavit dated July 7, 2016**, Mr. Tekle certified that he had not received any income from sources such as rental income from real or personal property, which was inaccurate due to the fact he was leasing his home as of March 3, 2016.

## REPAYMENT AGREEMENT

On March 30, 2017, HHF Program Management and the Loan Servicing Management were notified of Mr. Tekle's desire to enter into a repayment agreement, with details of some of the email correspondence listed below:

- On April 10, 2017, Kenny Derrickson, Assistant Comptroller, Loan Servicing and Bond Fund Accounting, said Mr. Tekle would owe HHF Program funds totaling \$9,188.16<sup>3</sup>, based on the amount disbursed after March 1, 2016, which is owed and not forgivable.

<sup>3</sup> Per Ms. Gibson, "Loan Servicing calculated these amounts. The amount owed not forgivable are the amounts disbursed after March 1, 2016 that total \$9,188.16 and the amount of \$1,803.30 will be forgivable. The payment plan was only set up on the amounts that were ineligible, but the payoff would include any loan amounts that did not reach full forgiveness."

- On April 11, 2017, Ms. Gibson suggested to have legal staff from Florida Housing issue a default letter and coordinate the terms of a repayment agreement.
- On April 18, 2017, OIG staff provided the information to legal staff and requested they contact Mr. Tekle to execute a repayment agreement.
- On May 18, 2017, Betty Zachem, Assistant General Counsel, Florida Housing, contacted Mr. Tekle and provided the following update, "Mr. Tekle has agreed to pay \$500 a month every month on the 15<sup>th</sup> of the month until the amount of \$9,188.16 is repaid. He has requested to have the amount automatically withdrawn from his account. . ."
- On May 30, 2017, Ms. Zachem provided the repayment agreement signed by Mr. Tekle on May 23, 2017 (Exhibit 9), which shows his first payment is due by June 15, 2017; and she said she is "working with him on setting up automatic payments through his financial institution."

### ADDITIONAL ISSUES

In accordance with §20.055(7), 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, OIG staff contacted a representative of the DCPA due to the issues related to Mr. Tekle being granted Homestead Exemption, while leasing the home since March 2016. In an email dated March 30, 2017, a DCPA representative stated:

Thank you for contacting our office. I have sent Mr. Tekle a denial on 3/24/2017 for his homestead exemption for the 2017 tax year. Through research and his own admission, we were able to determine that the property is in fact a rental. Thank you again for the information you provided to our office.

### UPDATES FROM FLORIDA HOUSING LOAN SERVICING

Due to Mr. Tekle entering into a repayment agreement with Florida Housing, OIG staff monitored his payment activity to include the following updates:

- On January 29, 2018, Loan Servicing staff confirmed that Mr. Tekle had been making his monthly payments of \$500.
- On April 2, 2018, Mr. Tekle requested a payoff from Loan Servicing and indicated that his home was on the market to be sold.
- On July 13, 2018, Loan Servicing staff confirmed that Mr. Tekle's outstanding balance of \$4,630.80 was paid in full.
- On August 16, 2018, Loan Servicing staff provided an account transaction detail for Mr. Tekle's HHF loan, which showed:

He received HHF Program funds totaling:	\$10,991.46
In July 2017, he was granted forgiveness for the time period of his occupancy of the home:	(\$360.66)
Between July 2017 and June 2018, he made payments as part of his repayment agreement totaling:	(\$6,000.00)
On July 11, 2018, the loan was paid in full after the sale of his home:	(\$4,630.80)
Loan Balance	\$0

Note: On July 18, 2018, FDLE was notified that Mr. Tekle's outstanding balance had been paid in full.

## FINDINGS/CONCLUSIONS

- It is alleged that Samuel Tekle committed fraud by failing to notify his HHF advisor that he had leased his primary residence, during a time period of receiving HHF Program funds. The allegation was **Supported** by: the return of Mr. Tekle's 1098-MA tax form, with no forwarding address; his October 2016 mortgage statement, with a mailing address in Texas; and by the testimony provided by Ms. Watkins, Ms. Jarrie, and Mr. Tekle that he had rented the property during a time period of his HHF Program funding. Therefore, based upon these findings, Mr. Tekle is in default of the terms of the HHF Program Loan because he failed to notify his HHF advisor that he had leased his primary residence during relevant times. However, Mr. Tekle's outstanding balance of \$10,630.80 was paid in full after he entered into a repayment agreement with Florida Housing on May 23, 2017, and subsequently paid off the loan on July 11, 2018, after the sale of his home.

In accordance with §20.055(7)(c), F.S., on June 2, 2017, 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 October 4, 2018, FDLE advised that the State Attorney's Office, 4<sup>th</sup> Circuit declined to prosecute based on the following:

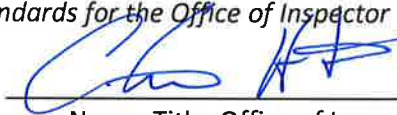
- criminal history of Mr. Tekle (one misdemeanor arrest);
- repayment of the money outlined in the agreement between Florida Housing and Mr. Tekle; and
- historically this type of case would end up in a restitution agreement.

## INSPECTOR GENERAL COMMENTS

It was recommended that FDLE take into consideration Mr. Tekle's repayment agreement with Florida Housing and his complete repayment of the loan totaling \$10,630.80 to Florida Housing on July 11, 2018.

## CERTIFICATIONS

This investigation was completed in accordance with accreditation standards established by The Commission for Florida Law Enforcement Accreditation and has been conducted 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



Melanie Yopp  
Investigator

10/29/18

Date



Chris Hirst  
Inspector General

10-29-18

Date