



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

REPORT OF INVESTIGATION CASE NUMBER: 2010-0001

Sheryl G. Steckler
Inspector General

"Enhancing Public Trust in Government"

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) received information from the County concerning allegations of falsification related to Economic Development Office (EDO) Special Projects Coordinator Sylvia L. Sharps. According to the information received by the OIG, although Ms. Sharps applied for and was subsequently approved (September 22, 2009) by the County's Housing and Community Development (HCD) Department for \$212,800.00 in mortgage financing through one of HCD's various mortgage assistance programs, she may not have been eligible to receive such funds.

The OIG investigation revealed that although Ms. Sharps' application listed Palm Beach County Board of County Commissioners (the County) as her only source of income, Ms. Sharps failed to disclose an additional source of income from the City of Pahokee, as a part-time economic development grant writer.

This investigation was referred to the State Attorney's Office (SAO), in and for Palm Beach County, Florida, on August 25, 2010, for possible criminal prosecution. The referral was subsequently accepted and a criminal investigation was initiated.

In addition to her County employment (annual salary of \$56,944.16), the SAO investigation revealed that between April 1, 2009 and September 10, 2009 [prior to and during the application process], Ms. Sharps earned \$12,675.00 from the City of Pahokee as a part-time economic development grant writer. The SAO investigation further revealed that between September 10, 2009 and December 31, 2009, Ms. Sharps earned an additional \$9,900.00 from the City of Pahokee. According to HCD's income eligibility criteria,¹ the maximum annual income for a household size of one is \$63,360.00. Ms. Sharps completed the application process on January 29, 2010, when she closed on her mortgage loan. Based on the amount of unreported income discovered during the investigation, Ms. Sharps would not have been eligible for the mortgage assistance program that she applied for.

On September 12, 2011, Ms. Sharps was arrested and charged with the following:

- § 817.034(4)(a)1., F.S. – Organized Scheme to Defraud, Greater Than \$50,00.00, a felony of the first degree.

¹ Income eligibility criteria used by HCD is established by the U.S. Department of Housing and Urban Development.

- § 817.054, F.S. – Obtaining of Mortgage, Mortgage Note, Promissory Note, etc., by False Representation, a felony of the third degree.

RECOMMENDED CORRECTIVE ACTIONS

Based on witness testimony and records reviewed, the allegation that Economic Development Office Special Projects Coordinator Sylvia L. Sharps falsified an application submitted to the Housing and Community Development Department in order to obtain financial assistance that she was not entitled to is **supported**. Based on this, we recommend the following:

- Take corrective personnel action.

No further action is necessary. As of September 15, 2011, Ms. Sharps was no longer employed by the County.

- Seek recoupment for costs associated with Ms. Sharps' ineligible mortgage loan(s).

BACKGROUND

The County's Housing and Community Development (HCD) Department is responsible for administering a variety of programs which focus on providing affordable housing opportunities to eligible residents of Palm Beach County. One such program administered by HCD, is the Neighborhood Stabilization Program² (NSP), which is aimed at addressing issues related to abandoned and foreclosed properties in participating jurisdictions.

The NSP program provides mortgage financing to eligible participants, provided that the homes purchased with NSP funds are foreclosed, vacant, and/or abandoned and do not exceed pre-determined³ purchase prices. Further, NSP program eligibility is based upon various criteria, including include income thresholds and limitations, which is established by the U.S. Department of Housing and Urban Development (HUD).

On April 29, 2009, Economic Development Office (EDO) Special Projects Coordinator Sylvia L. Sharps submitted a mortgage assistance application to HCD for NSP funds, which was subsequently approved on September 22, 2009 for the purchase of a home in Palm Beach County. At closing (January 29, 2010), the total amount financed by HCD was \$212,800.00. Following the approval of Ms. Sharps' NSP mortgage financing, the OIG received information that Ms. Sharps may have falsified the application in order to obtain financial assistance she was not entitled to.

Based on that information, the OIG initiated an investigation.

² Through the 2008 Housing and Economic Recovery Act, the U.S. Department of Housing and Urban Development received approximately \$5.9 billion to fund the program.

³ Depending on the type of NSP funds (I, II, or III), the purchase price of the home cannot exceed limits set between \$211,000.00 and \$280,000.00.

MATTER INVESTIGATED AND FINDINGS

Matter Investigated:

Special Projects Coordinator Sylvia L. Sharps obtained financial assistance she was not entitled to by submitting a falsified application to the Housing and Community Development Department. If supported, the allegation would constitute a violation of PBC PPM CW-P-023; and Merit Rule 7.02(D)(24), (32), and (33); and a potential violation of § 817.034(4)(a)1., F.S. and § 817.54, F.S.

Finding:

The information obtained *supports* the allegation.

According to the OIG Investigator's review of Ms. Sharps' 2009 NSP application, the following pertinent information was disclosed:

- Ms. Sharps attested to a household size of one.
- The maximum income limit for a household size of one is \$63,360.00.
- Ms. Sharps attested to \$56,944.16 as her "Total Annual Income Derived From Employment" with the Palm Beach County Board of County Commissioners (the County).
- Ms. Sharps attested to having no other income source.

According to the OIG Investigator's review of information as reported in the State Attorney's Office (SAO) Investigation, the following table illustrates the actual income earned by Ms. Sharps in 2009:

Income Period	Source	Amount
Annual (2009)	Palm Beach County	\$ 56,944.16
April 2009 – December 2009	City of Pahokee	\$ 22,575.00
Total Earned Income		\$ 79,519.16
Assets		\$ 323.59
Combined Earned & Asset Income – Total Annual		\$ 79,842.75

The NSP Combined Earned & Asset Income – Total Annual income limit for a household size of one is \$63,360.00. Had Ms. Sharps reported her actual combined earned income and assets, as disclosed in the investigation, Ms. Sharps' income would have exceeded the maximum by \$16,482.75 and rendered her ineligible to receive financial assistance from HCD.

Excerpt From SAO Investigation

[HCD Director Edward Lowery] advised he had reviewed [Ms. Sharps'] application back in September 2009 and based on what she had written on the application as being true he approved her for the financial assistance. [Mr. Lowery] advised that if Sharps income was over the Maximum amount of \$63,360.00 he would have never approved Sharps application for assistance. [Lowery] also advised that if he had knowledge of Sharps omitting some of her income to fraudulently obtain the financial assistance he would not have approved her for the financial assistance program.

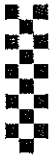
ARTICLE XII, SECTION 2-427

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Special Projects Coordinator Sylvia L. Sharps was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this investigative report within ten (10) calendar days. Ms. Sharps' written response (through her attorney), in part, is as follows (*response in its entirety is attached*):

We deny all allegations presented...

As no new information has been presented that would affect the findings in this report, the Matter Investigated remains **supported**.

This Investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.



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To: OIG Inspector General, Seryl G. Steckler	From: Rudy G. Gurrola, Jr., P.A.
Fax: 561-233-2370	Pages: 2 (including cover sheet)
Phone: 561-233-2350	Date: 9-23-11
Re: OIG Case No.: 2010-0001 Sylvia Sharps	CC:

Urgent For Review Please Comment Please Reply Please Recycle

◆ **Comments:**

Dear Ms. Steckler,

Please see the attached Letter of Representation.

Sincerely,

Rudy Gurrola

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VIA FAX: (561) 233-2370

September 23, 2011

Office of Inspector General
Palm Beach County
P.O. Box 16568
West Palm Beach, FL 33416

Re: Silvia Sharps
OIG Case Number: 2010-0001

Dear Sir or Madam:

This firm represents Ms. Silvia Sharps in the above-mentioned case. We are in receipt of "Draft" letter dated September 13th, 2011. We deny all allegations presented in this "Draft" letter.

Sincerely,

RUDY GURROLA

RRG/jk