



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”

**Redacted per §119.071(5)(b) and (5)(f)1,
F.S., and Title V, § 501(g)(4)(a)**

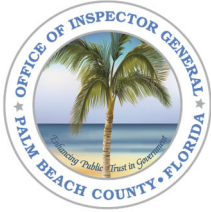
Investigative Report

2021-0008

False Information on CARES Act Rental Assistance Applications in Delray Beach

February 1, 2022

Insight – Oversight – Foresight



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PALM BEACH COUNTY



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DATE ISSUED FEBRUARY 1, 2022

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SUMMARY

WHAT WE DID

On February 26, 2021, the Palm Beach County (County) Office of Inspector General (OIG) received a complaint from the Palm Beach County Community Services Department (Community Services) concerning two Delray Beach, Florida residents' (hereafter "Applicant 1" and "Applicant 2")¹ applications to the County Coronavirus Aid, Relief and Economic Security (CARES) Act - Coronavirus Relief Fund Rental, Utilities, and Food Assistance Program (Program).

Community Services stated that Applicant 1 and Applicant 2 submitted separate rental assistance applications for the same address and time period, but listed different individuals as the landlord for payment assistance. According to Community Services, Applicant 1 filed for rental assistance for an address listing Property Owner 1 as the landlord. Applicant 2 submitted an application for the same address and time period listing Landlord 1 as the landlord. Further, Community

While personal information has been redacted and/or anonymized in this report to comply with state and federal laws, law enforcement authorities and the County have been provided an unredacted version of this report for appropriate follow-on actions.

Services indicated that Applicant 1 later applied for rental assistance for a different address and listed Landlord 1 as the landlord before submitting a second application for that address with a different landlord listed.

Based upon our initial review of Applicant 1 and Applicant 2's applications and accompanying documents, the OIG initiated an investigation of the following allegations:

Allegation (1): Applicant 1 provided false information to the County in rental assistance applications.

Allegation (2): Applicant 2 and Landlord 1 provided false information to the County for Applicant 2's rental assistance application that resulted in improper grant funding from a County program funded by the CARES Act.

WHAT WE FOUND

Allegation (1) is supported. We found that Applicant 1 submitted falsified

¹ According to the Consolidated Appropriations Act of 2021, Title V, Sec. 501(g)(4)(a) and §119.071(5)(f)1, Florida Statutes, certain personally identifiable information of an applicant for or a participant in a federal, state, or local housing assistance program for the purpose of disaster recovery assistance for a presidentially declared disaster is confidential and exempt from disclosure pursuant to public records requests.

documents to the County in support of rental assistance applications.

Allegation (2) is supported. Applicant 2 confirmed listing Landlord 1 as the landlord on Applicant 2's rental assistance application so that the County would pay Landlord 1 funds Applicant 2 allegedly owed Landlord 1. Landlord 1 confirmed that he/she created a lease for property he/she did not own or have authority to lease or manage to support Applicant 2's application, so that the County would pay Applicant 2's debt to Landlord 1.

Landlord 1 neither owned the property where Applicant 2 resided nor had the authority or right to lease or manage the property. As a result of Applicant 2 and Landlord 1's actions, the County approved Applicant 2's rental assistance application and issued Landlord 1 a \$4,200 check on November 6, 2020. The inappropriate grant resulted in Identified Costs² of \$4,200.

We found sufficient information to warrant referring our findings to the State Attorney's Office for a determination of whether the facts arise to a criminal act under section 817.03, Florida Statutes.

We also found sufficient information to warrant referral of our findings to the United States Attorney's Office for a determination of whether they constitute a violation of Title 18, Chapter 47, section 1001, United States Criminal Code.

WHAT WE RECOMMEND

We made one recommendation, that the County seek reimbursement of \$4,200 in issued funds.

The County concurred with our recommendation, stating that "We concur with your recommendation. Department will pursue recouping of dollars and refer to collections if needed. We will be denying further requests of services as well."

² Identified costs are costs that have been identified to be dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

BACKGROUND

The CARES Act

On March 1, 2020, Florida Governor Ron DeSantis directed the State Health Officer to issue a public health emergency in the State of Florida due to the COVID-19 pandemic. On March 13, 2020, former Palm Beach County Mayor Dave Kerner declared a state of emergency in the County due to COVID-19.



On March 27, 2020, the President signed the CARES Act³ into law. The CARES Act allocated \$2.2 trillion in economic relief to individuals, businesses, and governments affected by COVID-19. State governments were allocated a total of \$139 billion based on their populations (as measured by the U.S. Census Bureau in 2019), with no state receiving less than \$1.25 billion. Florida received a total of \$8.328 billion, with \$261,174,832 of that total provided to Palm Beach County.

On May 15, 2020, the Palm Beach County Board of County Commissioners dedicated \$40 million of the approximately \$261 million allocated to it for “Emergency Mortgage, Rental and Utility Assistance.” Community Services subsequently expanded its assistance programs to include the CARES Act Coronavirus Relief Fund Rental, Utilities, and Food Assistance Program.⁴

CARES Act Coronavirus Relief Fund Rental, Utilities, and Food Assistance Program Guidelines

The Program was designed to utilize CARES Act funds to provide rental, utility, and food assistance to eligible County residents who experienced loss of income, reduction in hours, or unemployment as a direct result of COVID-19. The Community Services website explained that in order to be eligible for the Program, an applicant,

....must be able to document that you were unable to pay your rent or utilities strictly due to temporary loss of income, reduction in hours, or employment are (sic) a result of the COVID-19 pandemic only.

The County website also listed the income and asset requirements to qualify for the Program.

³ The legislation is the largest economic stimulus package in U.S. history, amounting to 10% of total U.S. gross domestic Product.

⁴ The Program no longer exists under this title. Community Services currently distributes rental assistance funds under its Emergency Rental Assistance program.

Rental Assistance Applications

The County accepted online applications electronically on the Community Services Online System for Community Access to Resources and Social Services (OSCARSS). OSCARSS required applicants to upload certain supporting documentation, including identification; a rental lease agreement; and a balance statement. The balance statement was to have been completed by the applicant's landlord or property manager, and was to reflect the amount of rent owed by the applicant.



Community Services assigned applications it received to a Community Services reviewer. The reviewer checked to ensure all required information was present and that there were no discrepancies. If requested information was missing, or if information in submitted documents was inconsistent, the reviewer would return the application to the applicant, noting what was missing or inconsistent. If the applicant met the income guidelines and the documentation requirements, and the landlord had registered or was in the process of registering with the County as a vendor, the reviewer would send the application forward for supervisory review. Then, the application went to the Community Services fiscal personnel, and then to the County Clerk & Comptroller's Office for payment processing.

The application listed 13 certifications, affirmations, and acknowledgements. Applicants were required to affirm these statements by digitally checking a box next to each one.

Included among those certifications were the following:

- This application is a result of a Temporary Loss of Income due to the current Corona-virus (COVID-19) outbreak.
- I understand that I am applying for Emergency Assistance due to Covid-19 Crisis.
- I further certify that I have read, the above information and, to the best of my knowledge and belief, the information is accurate and has been properly recorded. Additionally, I understand that I am responsible for the accuracy of the information provided and that said information will be used as a basis for determining my eligibility for services. **I also understand that any falsification or misrepresentation of this information is just cause for denial of services and prosecution for fraud.** [Emphasis added]

The final page of the application required the applicant's digital signature.

Upon the approval of applications for rental assistance, the County paid funds directly to the applicant's landlord. In order to be paid, the landlord had to be registered as a vendor

with the County. If not already registered, the County sent an electronic link to a portal to complete the vendor registration process directly to the landlord.

The following chart summarizes Applicant 1 and Applicant 2's requests under the CARES Rental Assistance program:

Date of Application	Rental Period	Date of Payment From County	Rental Address	Tenant	Landlord (Payee)	Actual Landlord	Amount	Approved
10/30/20	Apr - Oct 2020	11/6/20	Address 1, Delray Beach, FL	Applicant 2	Landlord 1	No	\$4,200	Yes
10/27/20	Apr - Dec 2020	11/20/20	Address 1, Delray Beach, FL	Applicant 1	Property Owner 1	Yes	\$8,000	Yes
2/1/21	Jan - Feb 2021	N/A	Address 2, Delray Beach, FL	Applicant 1	Landlord 1	No	\$2,600	No
5/25/21	Apr - Aug 2021	N/A	Address 2, Delray Beach, FL	Applicant 1	Property Owner 2	Yes	\$3,900	No

ALLEGATIONS AND FINDINGS

Allegation (1):

Applicant 1 provided false information in rental assistance applications.

Governing Directives:

Palm Beach County CARES Act - Coronavirus Relief Fund Rental, Utilities, and Food Assistance application and program guidelines.

Finding:

The information obtained **supports** the allegation.

First Rental Assistance Application Balance Sheets Submitted by Applicant 1

County records show that on October 27, 2020, Applicant 1 electronically signed and submitted rental assistance application #43486 with Applicant 1's address listed as Address 1, Delray Beach, FL 33484, and with Property Owner 1 listed as the landlord.

Applicant 1 listed the monthly rental payment as \$1,250 on the application. The Balance Statement attached to the OSCARSS application was dated November 4, 2020, and

showed a total of \$6,750 in requested past due rent for March through November, 2020. The past due amount listed differed each month. The document was purported to have been signed by Property Owner 1.

Example: Month	April 2011	\$ 1000	Late Charges	\$50
Month	March 2020	\$ 500	Late Charges	0
Month	April 2020	\$ 750	Late Charges	0
Month	May 2020	\$ 750	Late Charges	0
Month	June 2020	\$ 750	Late Charges	0
Month	July 2020	\$ 750	Late Charges	0
Month	Aug 2020	\$ 750	Late Charges	0
	Sept 2020	\$ 750	Late Charges	0
	Oct. 2020	\$ 1250	Late Charges	0
	Nov. 2020	\$ 1250	Late Charges	0
				Total over- due: \$ <u>6750</u>
Landlords Name (Print)		Signature		Date
[Redacted]		[Redacted]		10/26/20 11/4/20

Balance Sheets Submitted by Property Owner 1

A Community Services staff member uploaded to a separate database a second, two-page Balance Statement dated November 17, 2020, which the staff member received directly from Property Owner 1 and which also appeared to be signed by Property Owner 1. It showed a total past due amount of \$8,000 for April through December, 2020. Again, the past due amount listed differed each month. Additionally, for several months, the amount listed as past due on the Balance Sheet dated November 17, 2020 differed from the amounts listed on the Balance Sheet dated November 4, 2020:

Monthly arrears:				
Example:	Month	April 2011	\$ 1000	Late Charges \$50
	Month	April 2020	\$ 500	Late Charge 0
	Month	May 2020	\$ 750	Late Charge 0
	Month	June 2020	\$ 750	Late Charge 0
	Month	July 2020	\$ 750	Late Charge 0
	Month	August 2020	\$ 1,250	Late Charge 0
Monthly arrears:				
Example:	Month	April 2011	\$ 1000	Late Charges \$50
	Month	March 2020	0	Late Charge 0
	Month	September 2020	750	Late Charge 0
	Month	October 2020	\$ 1,250	Late Charge 0
	Month	November 2020	750	Late Charge 0
	Month	December 2020	\$ 1,250	Late Charge 0
Attorney Fees: \$	0		Court Cost \$	0
Landlords Name (Print)		Signature		Date
[Redacted]		[Redacted]		11-17-2020

There are apparent differences between the two submissions:

- The amounts requested each month for past due rent.
- The handwriting and signatures purportedly of Property Owner 1.

Applicant 1's True Lease

The OIG obtained a copy of Applicant 1's lease from Property Owner 1 for Address 1, Delray Beach, Florida (True Lease). The True Lease obtained from Property Owner 1 was 18 pages long, with a lease term of March 1, 2020 to February 29, 2021. Property Owner 1 was the listed property owner and the tenants on page one were Applicant 1 and Landlord 1. The information on this application was typed.

I. TERM AND PARTIES. This is a lease (the "Lease") for a period of 12 months (the "Lease Term"), beginning (number)

March 1st, 2020 and ending February 29th, 2021, between (month, day, year) (month, day, year)

[Redacted] (name of owner of the property) (name(s) of person(s) to whom the property is leased)

Both tenants and the landlord initialed the bottom of page one.

Tenant shall pay with each rent payment all taxes imposed on the rent by taxing authorities. The amount of taxes payable on the beginning date of the Lease is \$ NA for each installment. The amount of each installment of rent plus taxes ("the Lease Payment"), as of the date the Lease begins, is \$ NA. Landlord will notify Tenant if the amount of the tax changes. Tenant shall pay the rent and all other charges required to be paid under the Lease by cash, valid check, or money order. Landlord may appoint an agent to collect the Lease Payment and to perform Landlord's obligations.

Tenant ([Redacted] and Landlord [Redacted]) acknowledge receipt of a copy of this page, which is Page 1 of 18.

RLAUCC-1x Rev. 7/16 Approved on April 15, 2010, by the Supreme Court of Florida, for use under rule 10-2.1(a) of the Rules Regulating the Florida Bar.

DECEIT
FEB 04 2020

Only Applicant 1 and Property Owner 1 signed under "The Lease has been executed by the parties on the dates indicated." Property Owner 1's signature was undated, and Applicant 1's signature was dated January 31, 2020. Applicant 1 and Property Owner 1 initialed this page of the True Lease. Landlord 1 did not sign or initial the signature page of the True Lease. Property Owner 1's signature on the True Lease appears to match his/her signature on the November 17, 2020 Balance Sheet reflecting a past due amount of \$8,000 that was uploaded by a Community Services staff member:

The Lease has been executed by the parties on the dates indicated below.

<u>[Redacted]</u> Landlord's Signature	_____	Date	_____
<u>[Redacted]</u> Landlord's Signature	_____	Date	_____
<u>[Redacted]</u> Tenant's Signature	_____	Date	<u>1/31/20</u>
_____ Tenant's Signature	_____	Date	_____

Lease Submitted by Applicant 1 in the Rental Assistance Application

The OIG obtained a copy of the lease submitted by Applicant 1 as an attachment to the rental assistance application. Portions of that submission are as follows:

I. TERM AND PARTIES. This is a lease (the "Lease") for a period of 12 months (the "Lease Term"), beginning (number)

March 1, 2020 and ending Feb. 28, 2021, between (month, day, year) (month, day, year)

[Redacted] and [Redacted] (name of owner of the property) (name(s) of person(s) to whom the property is leased)

Tenant shall pay with each rent payment all taxes imposed on the rent by taxing authorities. The amount of taxes payable on the beginning date of the Lease is \$ NA for each installment. The amount of each installment of rent plus taxes ("the Lease Payment"), as of the date the Lease begins, is \$ NA. Landlord will notify Tenant if the amount of the tax changes. Tenant shall pay the rent and all other charges required to be paid under the Lease by cash, valid check, or money order. Landlord may appoint an agent to collect the Lease Payment and to perform the duties of the Landlord.

Tenant [Redacted] Landlord [Redacted] acknowledge receipt of a copy of this page, which is Page 1 of 18.
Approved on April 15, 2010, by the Supreme Court of Florida, for use under rule 10-2.1(a) of the Rules

The Lease has been executed by the parties on the dates indicated below.

Landlord's Signature [Redacted] Date January 22, 2020

Landlord's Signature [Redacted] Date _____

dotloop verified 01/22/20 10:22 PM EST R2628FPLX-TV39L32U

Landlord's Signature _____ Date _____

Landlord's Signature _____ Date _____

Alterations of the Lease in the Rental Assistance Submission

The lease Applicant 1 submitted with his/her rental assistance application differed in multiple places from the True Lease the OIG received from Property Owner 1:


- The "Terms and Parties" section was partially handwritten instead of entirely typed.
- Property Owner 1's signature was visibly different and was dated.
- Applicant 1's signature was electronic instead of handwritten.
- Landlord 1's initials do not appear in the "Tenant shall pay" section of the lease Applicant 1 submitted to the County.

Payment to Property Owner 1


On November 20, 2020, County check #00003214196 in the amount of \$8,000 was issued to Property Owner 1.

Applicant 1's Second Rental Assistance Application

On February 1, 2021, Applicant 1 electronically signed and submitted rental assistance application #65554, for Address 2 in Delray Beach, FL 33484. Applicant 1 reported the landlord to be Landlord 1.



OSCARSS APPLICATION



2 What is your Landlord's Name?

3 What is your Landlord's Address?

4 What is your Landlord's Email Address?

5 What is your Landlord's Phone Number?

Applicant 1 listed a monthly rental payment as \$1,300 on the application. The Balance Statement submitted with the application dated February 1, 2021 shows a total of \$2,600 in past due rent for the months of January and February, 2021. The document was purportedly signed by Landlord 1.

Total balance (Rent + Late Fees + Court Cost) owed by the tenant: \$ 2600

Monthly arrears:

Example: Month <u>April 2011</u>	\$ <u>1000</u>	Late Charges <u>\$50</u>	
Month <u>JANUARY 2021</u>	\$ <u>1300</u>	Late Charges <u>—</u>	
Month <u>FEBRUARY 2021</u>	\$ <u>1300</u>	Late Charges <u>—</u>	
Month _____	\$ _____	Late Charges _____	
Month _____	\$ _____	Late Charges _____	
Month _____	\$ _____	Late Charges _____	

Attorney Fees: \$ _____ Court Cost \$ _____

Signature



2/1/21

Date

Landlords Name (Print) Signature Date

OIG Review of Address 2, Delray Beach Lease

The lease Applicant 1 submitted with the application dated February 1, 2021 listed Landlord 1 as the landlord and Applicant 1 as the tenant. The lease shows an execution date of December 1, 2020, and appears to be signed by both parties. The lease term is reflected as December 1, 2020 to December 1, 2021.

The parties have agreed and executed this agreement on <u>December 1, 2020</u>	
LANDLORD(S) SIGNATURE	
Landlord's Signature	_____
TENANT(S) SIGNATURE	
Tenant's Signature	_____

Property Records for Address 2

Deed information obtained from the Palm Beach County Property Appraiser's online database shows that the owners of the property as of May 16, 2016 are Property Owner 2 and Property Owner 3.

On February 10, 2021, Community Services sent an email to Applicant 1 stating "Please clarify landlord, as fiscal is saying this is not the proper owner." The application's electronic log shows no response from Applicant 1, and no disposition.

Applicant 1's Third Rental Assistance Application

On May 25, 2021, Applicant 1 electronically signed and submitted rental assistance application #75493⁵, in which he/she listed Address 2 Delray Beach, FL 33484 and Property Owner 2 as the landlord. Applicant 1 listed the monthly rental payment as \$1,300 on the application, and listed a total of \$3,900 in past due rent.

Applicant 1 attached a lease with a term from February 20, 2021 to February 19, 2022. The term of the lease with Property Owner 2 that Applicant 1 submitted with application #75493 commenced more than two and half months after the start date listed on the lease Applicant 1 previously submitted for this property. It appears both Applicant 1 and Property Owner 2 electronically signed the lease attached to Applicant 1's third application.

⁵ This application was submitted under the Palm Beach County Emergency Rental Assistance Program; the CARES Act Coronavirus Relief Fund Rental, Utilities, and Food Assistance Program was no longer in existence.

Disposition

The OSCARSS application log shows the application was denied on July 16, 2021, and again on September 15, 2021. Both times, the denial reason listed was “Denied by management,” and the denial level shown as “Finance - Fiscal.” On October 11, 2021, Community Services notified Applicant 1 via email of the denial; Applicant 1 appealed the denial on that same date.

Community Services told the OIG that the Community Services employee who denied the application did so because “The client re-applied at a later date with the correct owner as the payee but we denied given the initial fraudulent activity.”

OIG Interview of Property Owner 1

Property Owner 1 told the OIG he/she owned Address 1 in Delray Beach, Florida at the time of Applicant 1’s rental assistance application. He/she said Applicant 1 lived there for two years, beginning in 2019, and the monthly rent was \$1,250.

Property Owner 1 used a real estate agency to rent out his/her property. When the OIG showed Property Owner 1 a copy of the lease submitted with Applicant 1’s first rental assistance application that did not have Landlord 1 listed as a tenant, he/she confirmed that Landlord 1’s name did not appear on the lease Applicant 1 submitted with the application for rental assistance.

Applicant 1 was behind in rental payments from April to December of 2020. Property Owner 1 was not aware Applicant 1 applied for rental assistance until he/she received an email from a Palm Beach County employee asking him/her to “fill out paperwork” specifying the rent money Applicant 1 owed him/her. The paperwork had to be signed by both him/her and Applicant 1. When Property Owner 1 completed the paperwork, he/she contacted Applicant 1 to sign it but Applicant 1 told him/her via text message that Applicant 1 had already filled it out and submitted it on his/her behalf. When the OIG showed Property Owner 1 a copy of the Balance Statement dated November 4, 2020 submitted with Applicant 1’s rental assistance application, he/she said it was not the document he/she submitted to the County. Property Owner 1 stated that he/she believed Applicant 1 signed his/her name on the original Landlord Balance Sheet submitted. He/she told the OIG that he sent the forms he completed back to the County anyway. He/she confirmed he/she submitted the Balance Statement dated November 17, 2020. He/she ultimately received a payment of \$8,000 from the County.

OIG Interview of Landlord 1

Landlord 1 told the OIG he/she lives in Pennsylvania and has never resided in Florida. Landlord 1 co-signed a lease with Applicant 1 for a unit located at Address 1 in Delray Beach, Florida. Landlord 1 said he/she did not assist Applicant 1 with paying rent until Applicant 1 lost his/her job due to the COVID-19 pandemic and asked him/her for financial help. Landlord 1 did not give Applicant 1 a set amount of financial help every month.

He/she said he/she was aware that Applicant 1 later moved to Address 2 in Delray Beach, Florida, but he/she did not assist Applicant 1 in making rental payments there.

The OIG showed Landlord 1 the Balance Statement and lease submitted with Applicant 1's second rental assistance application for Address 2 in Delray Beach, Florida. The Balance Statement indicated Applicant 1, listed as tenant, owed Landlord 1, listed as landlord, \$2,600 in past due rent. The lease indicated Landlord 1 was the landlord of Address 2 and Applicant 1 was the lessee. The documents both showed what appeared to be Landlord 1's signature. Landlord 1 said the signature on the Balance Statement looked familiar, but he/she did not remember creating or signing any documents pertaining to rental assistance for this address, and commented that he/she and Applicant 1 have signed each other's names in the past.

OIG Interview of Applicant 1

Applicant 1 told the OIG he/she resided at Address 1 in Delray Beach, Florida from January 2019 until January 2021. The entire rental period had monthly rental payments of \$1,250, and the landlord was Property Owner 1 throughout. Landlord 1 co-signed the lease the first year, but he/she did not reside there with Applicant 1. Applicant 1 did not recall signing a lease for the second year.

In March of 2020, Applicant 1 lost his/her job due to the COVID-19 pandemic. Applicant 1 asked Landlord 1 for assistance with paying the rent, and continued to pay as much rent as he/she could.

Applicant 1 subsequently applied online to Palm Beach County's rental assistance program. Applicant 1 deducted what was already paid to Property Owner 1 from the amount of assistance requested in the application. Applicant 1 submitted a lease with the application, and Property Owner 1 completed the documentation that was required. Applicant 1 believed that the County sent Property Owner 1 the paperwork he/she needed to sign. Applicant 1 informed him/her that the application was for assistance right after filling out the application, and stayed in contact with him/her throughout the process.

The OIG discussed with Applicant 1 that the lease submitted with the October 2020 application differed from the lease the OIG received from Property Owner 1. Applicant 1 could not say with certainty whether he/she altered the document. Applicant 1 said that if it was altered, it was when the lease was renewed because he/she wanted to be accurate by showing that Landlord 1 did not reside with Applicant 1, and he/she no longer needed him/her as a co-signer.

Applicant 1 moved from Address 1 to Address 2 in Delray Beach, Florida around January of 2021. Landlord 1 co-signed Applicant 1's lease again, and also helped him/her pay the first and last month's rent. The rent was \$1,300 per month. Because Applicant 1 was still unemployed, he/she again applied to the County for rental assistance. Applicant 1's landlord was Property Owner 2; however, Applicant 1 listed Landlord 1 as the landlord on the application. He/she said that because Landlord 1 was making the rental payments,

Applicant 1 believed that he/she was subletting from him/her, and Landlord 1 was the person who needed to be paid.

Applicant 1 completed all supporting documents for this application. Applicant 1 signed Landlord 1's signature, and submitted the documents with the application. Applicant 1 showed the documents to Landlord 1, and explained that this was a way to reimburse him/her.

After submitting the application listing Landlord 1 as the landlord of Address 2, Applicant 1 told the OIG he/she received a call from someone at the County about that application. During that call Applicant 1 said he/she asked the County to ignore the application, because he/she had now established a relationship with the true landlord for Address 2. Applicant 1 was told the application could not be erased from the system, but it would be denied.

Applicant 1 stated that around March or April 2021, he/she again applied to the County for rental assistance, this time listing Property Owner 2 as the landlord.

Applicant 1 said the rental assistance process was confusing, but he/she believed everything he/she did was appropriate.

OIG Conclusion

When Applicant 1 electronically submitted applications to the County, he/she attested that the information provided was, to the best of his/her knowledge, "accurate" and "properly recorded." However, Applicant 1 submitted two applications for rental assistance with false and inaccurate information.

Applicant 1 attached a lease and Balance Sheet to the first rental application for Address 1 in Delray Beach, Florida that differed from the True Lease and Landlord Balance sheet obtained directly from Applicant 1's landlord, Property Owner 1. The OIG concludes that Applicant 1 submitted a falsified lease and Landlord Balance Statement with the first application. The County eventually obtained an accurate Landlord Balance Sheet from Applicant 1's landlord and made payment based upon the falsified lease and true Balance Statement. We find that the payment made by the County based on those submissions was the appropriate amount owed to the landlord for rent.

Thereafter, Applicant 1 submitted a second rental assistance application for Address 2 in Delray Beach. Applicant 1 attached a lease for a rental period commencing December 1, 2020 that falsely identified Landlord 1 as the landlord. Applicant 1 later admitted to the OIG that he/she moved into the property around January 2021. Applicant 1 admitted to signing Landlord 1's name to the supporting documents submitted with that application.

Applicant 1 later submitted a third application for rental assistance to the County with an attached lease agreement with the actual property owner, Property Owner 2, for a rental period commencing on February 20, 2021. Although the County appropriately denied

Applicant 1’s application attaching the lease listing Landlord 1 as landlord, Applicant 1 nevertheless attempted to receive rental assistance funding with an application that attached a false lease with Landlord 1, who was neither owner of the property nor authorized lessor or manager of the property; attached a Landlord Balance Sheet that was not prepared by Applicant 1’s landlord or property manager; and requested rental assistance for a period that pre-dated his/her lease with the owner of the property.

The allegation that Applicant 1 provided false information in rental assistance applications dated October 27, 2020 for Address 1 and February 1, 2021 for Address 2 is **supported**.

Allegation (2):

Applicant 2 and Landlord 1 provided false information in Applicant 2’s rental assistance application that resulted in improper grant funding from a County program funded by the CARES Act.

Governing Directives:




Palm Beach County CARES Act - Coronavirus Relief Fund Rental, Utilities, and Food Assistance application and program guidelines.

Finding:

The information obtained **supports** the allegation.

Applicant 2’s Rental Assistance Application

County records show that on October 30, 2020, Applicant 2 electronically signed and submitted rental assistance application #45194 for Applicant 2’s residence at Address 1 in Delray Beach, Florida. Applicant 2 listed Landlord 1 as the landlord. It listed the rent as \$700 per month.

	<p>OSCARSS APPLICATION</p>	
<p>2 What is your Landlord’s Name?</p> <p>3 What is your Landlord’s Address?</p> <p>4 What is your Landlord’s Email Address?</p> <p>5 What is your Landlord’s Phone Number?</p>		

Lease Submitted by Applicant 2 in the Rental Assistance Application

STANDARD LEASE AGREEMENT

This Agreement, dated March 10, 2020, by and between an individual known as [REDACTED] hereinafter known as the "Landlord",

AND

An individual known as [REDACTED] hereinafter known as the "Tenant(s)", agree to the following:

OCCUPANT(S): The Premises is to be occupied strictly as a residential dwelling with only the Tenant(s) mentioned above as the Occupant(s).

OFFER TO RENT: The Landlord hereby rents to the Tenant(s), subject to the following terms and conditions of this Agreement, an apartment with the address of [REDACTED] Delray Beach, Florida, 33484 consisting of 1 bathroom(s) and 1 bedroom(s) hereinafter known as the "Premises". The Landlord may also use the address for notices sent to the Tenant(s).

Balance Sheets Submitted by Applicant 2

The Landlord Balance Statement submitted with the application shows the landlord's name and signature as Landlord 1. The form lists \$600 monthly rent owed by Applicant 2 from April to October of 2020, for a total of \$4,200.

Monthly arrears:	<u>April, 2020</u>	<u>600</u>	
Example: Month	<u>May, 2020</u>	<u>\$ 600</u>	Late Charges <input checked="" type="checkbox"/>
Month	<u>June, 2020</u>	<u>\$ 600</u>	Late Charges <input checked="" type="checkbox"/>
Month	<u>July, 2020</u>	<u>\$ 600</u>	Late Charges <input checked="" type="checkbox"/>
Month	<u>Aug, 2020</u>	<u>\$ 600</u>	Late Charges <input checked="" type="checkbox"/>
Month	<u>Sept, 2020</u>	<u>\$ 600</u>	Late Charges <input checked="" type="checkbox"/>
Month	<u>Oct, 2020</u>	<u>\$ 600</u>	Late Charges <input checked="" type="checkbox"/>

Attorney Fees: \$ Ø Court Cost \$ Ø

[REDACTED] [Signature] Oct 26, 2020

Landlords Name (Print) Signature Date

Payment to Landlord 1

On November 6, 2020, County check number 00003211071, in the amount of \$4,200, was issued to Landlord 1. Bank records reflect that the check was endorsed by Landlord 1 and deposited on November 17, 2020.

BOARD OF COUNTY PALM BEACH COUNTY WEST PALM BEACH, FLORIDA

44-9327413 WELLS FARGO BANK, N.A. CHECK NO. 60003211071 DATE 11/06/2020 AMOUNT \$*****4,200.00

PAY TO THE ORDER OF [REDACTED]

Four Thousand Two Hundred And 00/100 Dollars

Sharon A. Bels

THIS DOCUMENT IS PRINTED IN TWO COLORS. DO NOT ACCEPT UNLESS BLUE AND BLACK ARE PRESENT. PADLOCK LIST SECURITY FEATURES ON BACK OF R

#0003211071# 10612097561# [REDACTED]

TD Mobile Deposit 11/17/2020 6:33:39 PM

1366641

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

OIG Interview of Property Owner 1

Property Owner 1 told the OIG that when he/she was preparing to sell Address 1, he/she discovered that Applicant 2 had been living there. Property Owner 1 said that Applicant 2 was not on the lease, and was not an authorized tenant.

OIG Interview of Applicant 1

Applicant 1 told the OIG that Applicant 2 was Applicant 1’s roommate during the second year he/she resided at Address 1 in Delray Beach. Applicant 1 and Applicant 2 were both musicians and worked for the same company. Applicant 2 was not a party to the lease with Property Owner 1, but paid Applicant 1 \$600 a month.

In March of 2020, both Applicant 1 and Applicant 2 lost their jobs due to the pandemic. Applicant 1 introduced Applicant 2 to Landlord 1 and explained that he/she was no longer getting rent money from Applicant 2. Applicant 1 continued to pay as much as he/she could directly to Property Owner 1, and Landlord 1 made an arrangement with Applicant 2 to cover Applicant 2’s portion of the rent. Applicant 1 believes Landlord 1 paid Applicant 2’s portion of the rent directly to Property Owner 1, and Applicant 2 was expected to repay Landlord 1.

Applicant 1 stated he/she told Applicant 2 that he/she had applied for rental assistance but did not know whether Applicant 2 ever applied. When the OIG informed Applicant 1 that Applicant 2 had applied and listed Landlord 1 as the landlord, Applicant 1 stated that Applicant 2 may have believed that since Landlord 1 was paying his/her share of the rent, he/she was subletting from Landlord 1.

OIG Interview of Landlord 1

Landlord 1 told the OIG that in April 2020, Applicant 1 told him/her that Applicant 2 was his/her roommate. Landlord 1 was familiar with Applicant 2 because Applicant 2 and Applicant 1 had worked at the same location in Philadelphia. After Applicant 1 and Applicant 2 lost their jobs due to the pandemic, Landlord 1 said he/she helped them both with their rental payments, but only asked for reimbursement from Applicant 2. He/she gave money to Applicant 1 for rent, but paid Applicant 2's portion directly to the landlord. Landlord 1 paid a total of \$4,200 on Applicant 2's behalf.

Applicant 2 informed Landlord 1 that he/she was going to apply for rental assistance through Palm Beach County in order to repay Landlord 1. Applicant 2 said that in order to receive the rental assistance, Landlord 1 would need to provide a lease and register as a County vendor. Landlord 1 said he/she did not know Applicant 2 listed him/her as the landlord on the rental assistance application, but he/she complied with Applicant 2's requests regarding the lease and registration so that he/she could receive the money he/she was owed. Landlord 1 believes Applicant 2 named him/her as the landlord on the application because he/she was the person to whom Applicant 2 owed the money.

Landlord 1 said he/she did not know how the program worked and did not ask. He/she received a check in the mail from the County for \$4,200, the amount he/she paid in rent on behalf of Applicant 2.

OIG Examination of Landlord 1's Financial Records

Landlord 1 provided all records that he/she stated would show payments to Property Owner 1 on behalf of Applicant 2. Those records do not show that Landlord 1 paid Property Owner 1 \$4,200 during the period covered by the application for rental assistance. Additionally, there is no evidence of Applicant 2 actually paying Landlord 1.

OIG Interview of Applicant 2

Applicant 2 told the OIG he/she and Applicant 1 are friends and have known each other for decades. Applicant 2 has also met Landlord 1 a few times. Applicant 2 stated that his/her employment ended in March 2020 as a result of the pandemic, and he/she did not have a place to live. He/she discussed this with Applicant 1, who invited Applicant 2 to come live with Applicant 1 at Address 1 in Delray Beach, Florida.

Applicant 2 stated he/she thinks the total rental payment for the residence was \$1,400 a month, and believes he/she paid \$600 a month to Landlord 1, who paid the actual landlord directly. Applicant 2 understood that he/she was subletting from friends and never questioned the arrangement. Applicant 2 knew the landlord as "Property Owner 1's first name" and believed "Property Owner 1's first name" was aware Applicant 2 was living at the residence because the two had met before.

Applicant 2 told the OIG he/she believed Landlord 1's name was on the lease. Applicant 2 believed the unit was Landlord 1 and Applicant 1's second home, because they both spent most of their time in Philadelphia. During the time Applicant 2 lived in the unit, only Applicant 2 and Applicant 1 lived there.

Applicant 1 made Applicant 2 aware of the County rental assistance program. Applicant 1 advised Applicant 2 to apply and list Landlord 1 as the landlord, "like a sublet", and Applicant 2 did so. Applicant 1 told Applicant 2 that Applicant 1 was also applying for rent assistance. Applicant 2 assumed Applicant 1 applied for Applicant 1's portion of the rent and Applicant 2 was to apply for his/her portion. Applicant 2 stated the total amount he/she requested on the application was \$4,200.

Applicant 2 completed and electronically signed his/her own application. Landlord 1 prepared the lease submitted with Applicant 2's application, but Applicant 2 was not sure who prepared the Balance Statement.

OIG Conclusion

When Applicant 2 electronically submitted his/her application to the County, Applicant 2 attested that the information provided was, to the best of his/her knowledge, "accurate" and "properly recorded." Nevertheless, Applicant 2 falsely identified Landlord 1 as the landlord of Address 1 in Delray Beach on that application. By the admission of Landlord 1 and Applicant 1, Property Owner 1 was the landlord for this residence. Applicant 2 had no written lease and admitted that he/she knew that Landlord 1 was not the true landlord.

Further, Landlord 1 admitted to creating the lease submitted with Applicant 2's application in order to receive money from the County. Furthermore, neither Applicant 2, Landlord 1, nor Property Owner 1 provided the OIG with any documentation showing that Landlord 1 ever paid Applicant 1's portion of the rent to Property Owner 1. As a result of Landlord 1 and Applicant 2's actions, the County issued a \$4,200 check to Landlord 1 to which he/she was not entitled.

The allegation that Applicant 2 and Landlord 1 provided false information in Applicant 2's rental assistance application, resulting in improper grant funding from a County program funded by the CARES Act is **supported**.

IDENTIFIED COSTS

Identified Costs: \$4,200

ACKNOWLEDGEMENT

The Inspector General's Investigations Division would like to thank the Palm Beach County Community Services Department staff for their cooperation throughout this investigation.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends that the County seek reimbursement of \$4,200 of inappropriately issued funds.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the Community Services Department 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. Their written response, as received on January 25, 2022, is:

We concur with your recommendation. Department will pursue recouping of dollars and refer to collections if needed. We will be denying further requests of services as well.

RESPONSE FROM APPLICANT 1

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Applicant 1 was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in this Investigative Report within ten (10) calendar days. Applicant 1's written response is attached to this report as Attachment 'A'.

RESPONSE FROM APPLICANT 2

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Applicant 2 was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in this Investigative Report within ten (10) calendar days. Applicant 2's written response is attached to this report as Attachment 'B'.

RESPONSE FROM LANDLORD 1

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Landlord 1 was provided the opportunity to submit a written explanation or rebuttal to the finding as stated in this Investigative Report within ten (10) calendar days. Landlord 1 did not respond.

ATTACHMENT A

TO: Mr. Stuart Robinson, Director of Investigations
Office of Inspector General, Palm Beach County
P.O. Box 15658
West Palm Beach, FL 33416
inspector@pbcgov.org

FR: Mr. Gregory A. Falkenstein, Esq.
Attorney-at-Law
1201A NW Tenth Street
Dania Beach, FL 33004
falk.greg@gmail.com / (754) 368-8077

RE: OIG Case No. 2021-0008

DATE: January 28, 2022

Dear Mr. Robinson,

██████████ has asked me to respond to this letter on ██████ behalf. You may continue to contact ██████ directly, but please consider ██████ from this point forward a represented party, and any written communications regarding this matter that you send to ██████ must also be sent to me, ██████ counsel, at the address I provided above. My profession and my current attorney-client relationship with ██████ aside, I have known ██████ personally for over ten years now. ██████ has been a steadfast, true, and generous friend to me at all times, even when I may not have deserved it. ██████ is a good citizen of upstanding moral character and a ██████ who suffered the unimaginable heartbreak of losing a college-age child. The very idea that ██████ was engaged in a premeditated scheme to defraud the government at the advent of the COVID-19 pandemic is absolutely ludicrous.

Also apart from my present capacity as ██████ attorney, I can also personally attest to the truthfulness of ██████ and ██████ testimony to your office regarding the living arrangement that existed at the ██████ address. I myself met ██████ in person on one occasion in late 2020, while ██████ out of necessity continued to sublet from ██████ ██████ is a musician, like myself and ██████, whose entire livelihood evaporated into thin air in the blink of an eye when the pandemic shut down the world. Whatever the lease may have stated regarding subletting, respectfully, the OIG appears to have lost sight of the fact that in normal times, subletting is something that many people do when it makes financial sense to do it--people who are otherwise honest, moral, and completely law-abiding, but who may face financial challenges that a subletting arrangement can ameliorate to some degree. ██████ had entered into the subletting arrangement *prior to the onset of the pandemic*, because it helped ██████ to live a bit more easily, and because it was far more affordable for ██████ than any other form of temporary housing that, absent the advent of the pandemic, would have been available to ██████ for the months that ██████ show was performing in Florida. The onset of the pandemic effectively froze ██████ in place, as it would have with any individual who was away from ██████ true home while serving as a musician in a live ensemble accompanying a traveling Broadway production. Again, respectfully, the OIG seems to have discounted the very real fact that *everyone had to remain in some*

location when the pandemic came. It would have been inhuman for [REDACTED] to turn out [REDACTED] onto the street because, due to the pandemic's obliteration of all live music performance, [REDACTED] could no longer pay [REDACTED] portion of the rent. And it is manifestly unreasonable and inhuman to conclude that [REDACTED] because [REDACTED] was an unapproved and arguably illegal tenant at the [REDACTED] address, was not entitled to the same emergency financial aid in the form of rental assistance to which anyone who, by simple virtue of having [REDACTED] name on an official lease, would very likely have found entitled. In other words, Mr. Robinson, the funds that were paid out for [REDACTED] portion of the rent at the [REDACTED] address went toward the true and real need of an actual person for rent assistance. That need arose squarely and directly out of the pandemic, in the life of a person whose financial circumstances in fact did qualify [REDACTED] for rental assistance, in every respect that matters from a moral standpoint.

Similarly, Mr. Robinson, even though the second application for assistance at the [REDACTED] address may have been improper in some respects, at the end of the day, [REDACTED] and [REDACTED] *merely sought reimbursement for [REDACTED] SOLELY for the funds that he had paid to [REDACTED] for that portion of the rent at the [REDACTED] address attributable to [REDACTED]* [REDACTED] assures me now that the first investigator assigned to this case had been given sufficient documentary evidence so as to demonstrate conclusively that [REDACTED] indeed did pay to [REDACTED], the landlord at the [REDACTED] address, a total amount of \$4,200, which [REDACTED] indeed accept as payment for past due rent on said address. [REDACTED] also assures me that sufficient documentary evidence had been given to the prior investigator so as to demonstrate that the total amount awarded through the assistance program for the [REDACTED] address is an amount equal to the amount of rent that was past due. I point out in passing that it would not be necessary to show that [REDACTED] had had actually advanced to a financial account bearing [REDACTED] name funds in a total amount of \$4,200, because the act of [REDACTED] simply sending funds in that total amount directly to [REDACTED] would have the same net effect, when accompanied (as it in fact was) by a verbal agreement between [REDACTED] and [REDACTED] that the latter owed the former for the funds the former paid on his behalf for the latter's portion of the rent on the [REDACTED] address, in an amount totaling \$4,200.

The crux of this defense of the actions taken by [REDACTED], [REDACTED], and [REDACTED] is that **the OIG has not established that any of the three parties in this case was unjustly enriched through the receipt of these assistance funds.** [REDACTED] has not asked me to defend any of the questionable actions taken by any of these three individuals with respect to representations made on any rental assistance application, and I shall not here do so. I am entirely certain that all three individuals have learned difficult but important lessons in that regard, and that none of them would ever again endeavor to seek assistance or reimbursement in the manner that was pursued in this case. But with that said, I assert to you again that none of these individuals received any funds in excess of what was owed and eventually paid to [REDACTED] purposes of satisfying the rent owed on the [REDACTED] address, and that because there was no excess in what was awarded to them, there was no intention to defraud.

Accordingly, I respectfully ask you to review once more the evidentiary record before you in this matter. I maintain that if the record demonstrates, as I believe it must, that: 1) the total amount of rental assistance awarded for the purpose of satisfying the rent due on the [REDACTED] address equals the total amount of rent due under the terms of the lease for the time period in question; and 2) that the financial records of [REDACTED] and [REDACTED] show that [REDACTED] did pay an amount totalling \$4,200, either to

██████████ directly to ██████████, the landlord, during the relevant time period; and 3) that a verbal agreement existed between ██████████ and ██████████ that ██████████ would make rent payments on ██████████ behalf while ██████████ was financially incapable of making those payments ██████████, and that ██████████ would, when ██████████ was able to, pay ██████████ back for those funds advanced for purposes of paying the rent on ██████████--if, Mr. Robinson, the record shows all three of those facts to be true and/or supported by the record, then we have established that there has been no unjust enrichment in this case. If no actor here received funds to which he was not ultimately in some respect entitled to receive, then there has been no actual fraud committed, nor has any intent to defraud existed in this case.

Mr. Robinson, I ask you humbly but also implore you on behalf of my client to reconsider whether these ordinary, good, law-abiding people actually had any intent ever to take something to which they were not entitled. Again, because I've known ██████████ and ██████████ personally for a very long time and I know precisely who they are as people, it is not so difficult for me to see through these facts and reach the obvious conclusion that neither of them sought illegal, wrongful gain here. But even if I didn't know them as I do, still, I maintain that the absence of unjust enrichment absolves them from accusations of fraud. Ultimately, even though they did some things they probably should not have done, what's true in the end is that ██████████ got all that was due to him under the lease, and that ██████████ received a reimbursement for the same amount he had paid out to cover ██████████ portion of the rent. If the OIG seeks to take back and does take back \$4,200 from ██████████ that will be a deprivation, one that I urge you to avoid causing.

Again, please accept my waiver of any right I may have to insist that communications with ██████████ must pass through me. Instead, I only ask that you include me on the delivery list for all future communications regarding this matter. Thank you for your time and consideration.

Sincerely,

/s Gregory A. Falkenstein, Esq.
Florida Bar No.: 116892

ATTACHMENT B

To whom it may concern:

I hope the following response to the draft letter will help clarify any questions you may have.

Regarding how I came to be in Delray Beach without a prior permanent residence:

From 2017 through March of 2020 I was employed as a touring musician. I had no permanent residence, and lived in hotels provided by the touring company, moving to a new city each week. When the tour had a week off I would either stay at an airbnb or with a friend.

When COVID struck and the tour was closed in March 2020, I had no place to live, and [REDACTED] offered to have me temporarily stay at [REDACTED] apartment in Delray Beach. We had known each other from working together years ago when I was still living in Philadelphia before leaving for NYC.

Regarding sub-letting from [REDACTED] / [REDACTED]

Prior to leaving to go on tour I was living in NYC with a friend. I was sub-letting from my friend and was not on the lease with the owner of that property either. Since this is extremely common in my experience, and at least in New York, sub-letting is explicitly allowed in every apartment lease, sub-letting from [REDACTED] didn't strike me as unusual in any way.

Since I was newly unemployed and not yet receiving unemployment, I was not able to pay [REDACTED] rent.

Regarding the application:

When the rental assistance program was announced, [REDACTED] let me know about it, and also let me know [REDACTED] was applying because [REDACTED] was also behind on [REDACTED] rent as a direct result of lost income due to COVID. [REDACTED] asked that I look at the application as well, and based on the information available online it appeared I was also eligible, as I was living in Palm Beach county and also needed assistance paying my rent as a direct result of losing my job to COVID.

Since the application required a lease agreement to be uploaded, [REDACTED] asked [REDACTED] to draw one up for the application, including a list of the amount of rent I would have paid during that time if I had been able. It was not my decision or request to have [REDACTED] write it, although I did not question this as I thought that [REDACTED] was on the apartment lease with [REDACTED], and therefore had the right to sublet to me.

[REDACTED] and I barely knew each other before my time in Florida, and I did not have any idea what he was contributing to the rent while I was there. All I knew is that I needed help paying rent for the time I was living in the apartment, so I applied for that help. As to whether I felt I owed the rent money to [REDACTED] vs [REDACTED] - again, I thought/assumed they were both on the lease, so it didn't seem to me to make a difference who wrote the lease agreement for the application.

There was nothing at all in the (confusing) online application to indicate that applying for rental assistance as a sub-letter would be a problem. In no way did think I was providing any false information on the application. I was simply trying to avoid accumulating debt due to back rent.

As to why I wasn't added to the official lease, we had no idea at all how long the situation would last.

Finally, [REDACTED] assured me that all of the rental assistance money they received was paid to the owner, [REDACTED].

Regards,

[REDACTED]