



Inspector General Insights

Background: The Collier County Clerk of the Circuit Court (Clerk) Office of Inspector General (OIG) received a request from the Collier County Community and Human Services (CHS) staff to perform an independent review of approximately **85** Collier County Emergency Rental Assistance Program (ERAP) applications and corresponding documentation submitted to CHS as part of their Collier County Relief Program.

CHS staff indicated that they initially observed multiple discrepancies on the applications and corresponding documentation submitted by the applicants including, but not limited to, copies of driver's licenses that appeared altered, lease agreements with spelling errors and signatures that appeared altered or fictitious, notarized documents with errors or missing information, incomplete IRS 1040 forms and other similar irregularities.

Objective: To examine a total of **85** ERAP applications and related supporting documentation to determine whether there was evidence of an alleged scheme to defraud the (ERAP) plan.

Scope: The OIG conducted research, interviews, evaluations, and examination of **85** ERAP applications and related supporting documentation in two phases:

- Phase 1 – March 23, 2022, through July 10, 2022 – **59** applications
- Phase 2 – July 11, 2022 through November 17, 2022 – **26** applications

Observations: On July 11, 2022, the OIG attended the monthly Collier County Affordable Housing Committee meeting to discuss the 59 potentially fraudulent ERAP applications reviewed. In the first phase, the OIG discovered the identities of three Collier County residents and one Miami-Dade County resident were stolen and utilized on two ERAP applications. The OIG subsequently determined that an investigation of these suspects had already been initiated by the Sarasota County Sheriff's Office; we referred our findings to their office to combine with their case. The Sarasota County Sheriff's Office and the Collier County Sheriff's Office coordinated to execute the arrest of two individuals from the Sarasota area. As of June 1, 2023, these criminal investigations related to the above-mentioned stolen identities remained active.

Out of the remaining **83** ERAP applications, the OIG cleared payment on **one** application, and the remaining **82** applications were not paid. The OIG confirmed what appeared to be fraudulent and/or altered documentation along with multiple irregularities in **82** other applications, including:

- Counterfeit driver's licenses or state identifications.
- Inconsistent supporting documentation.
- Supporting documents that appeared to be "created" or altered.
- Counterfeit documents created to justify the required COVID-19 Impact justification of loss or reduction of hours of employment.
- "Created" templates used for lease/rental agreements and rental ledgers.

- Past due rent requested which was inconsistent with the value of the property (such as \$1,900 in monthly rent requested for a home valued at \$12.6 million).
- Unusual contact information provided for landlords or property managers.
- Incomplete, inaccurate, and altered IRS tax returns.
- Inconsistencies with notaries used to attest to documents filed.
- “Red flags” of multiple spelling errors, unusual grammar mistakes and/or sentence structure.

The ERAP grant series concluded on December 31, 2022, and we discontinued our review shortly thereafter.

Recommendations & Actions: In an effort to further assist the CHS staff with their review process, the OIG created and presented a PowerPoint training presentation to a group of approximately 45 members of the CHS staff and the Clerk’s Finance staff on September 22, 2022. After the training meeting, the CHS staff was able to independently detect additional applications with discrepancies.

The OIG has been actively working with governmental audit executives statewide, and proposed the following recommendations to enhance prevention and detection controls:

- Allow full access to the OIG staff to the County’s third-party database, provided by vendor Neighborly Software. The Pinellas County OIG staff has detected and prosecuted grant fraud through their access to this same vendor system, and they have shared their query methodology. The Collier OIG has similar tools, enabling us to perform like queries.
- Capture more information from grant applicants, ideally both through the Neighborly program and through the initial landing webpage for the Collier grant application process. This would both alert us to red flags and provide more information to detect the source of the applications.
- Capture more information regarding the landlord, who is the payee of the grant funds.

Conclusion: Although the OIG determined there were multiple irregularities and documentation that appeared to be fraudulent and/or altered in the **82** unpaid ERAP applications referred, the OIG could not conclusively identify any further specific subjects or find enough documentary criminal evidence to make any additional law enforcement referrals. We continue to build a database of information filed by suspected fraudsters to screen against active grant applications.

Examination Process	Total Transactions	Amount Reviewed	Questioned Costs	Taxpayer Savings	Number of Findings
Phase 1 (previously reported)	59	\$1,016,436.66	\$1,016,436.66	\$1,013,236.66	58
Phase 2	26	\$1,896,501.16	\$1,896,501.16	\$1,896,501.16	26
Total	85	\$2,912,937.82	\$2,912,937.82	\$2,909,737.82	84