

**U. S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
OFFICE OF INSPECTOR GENERAL**



Michael H. Stolworthy
Assistant Special Agent in Charge
Criminal Investigation Division



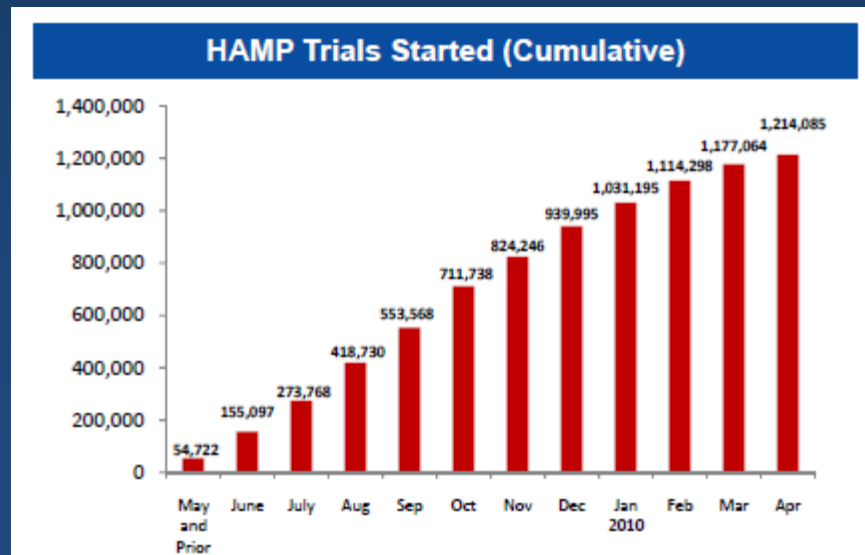
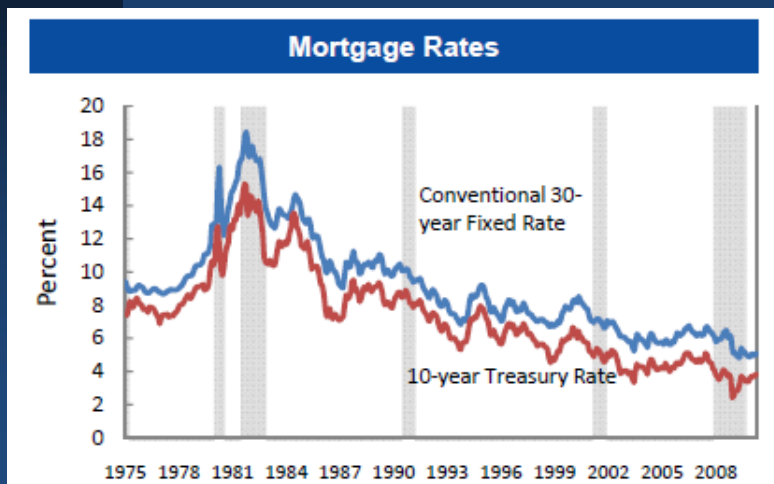
- [WKYC.com | Cleveland, OH | Video](http://www.wkyc.com/video/default.aspx?bctid=86686616001)

<http://www.wkyc.com/video/default.aspx?bctid=86686616001>

Making Home Affordable

- Low Mortgage Rates and Access to Credit
- State and Local Housing Initiatives
- Tax Credits for Housing

- HAMP
- HARP
- NSP
- HAFA
- 2MP



HUD-OIG MISSION

- Prevent and detect fraud, waste, and abuse.
- Promote integrity, efficiency and effectiveness in HUD programs and operations.
- Seek administrative sanctions, civil, and/or criminal prosecution.
- Independent and objective reporting to the Secretary and Congress

What is the Federal Housing Administration (FHA)?

- The FHA is a wholly-owned government corporation created by Congress in 1934.
- The FHA was consolidated into HUD in 1965.
- FHA provides mortgage insurance on loans made by FHA-approved lenders.

What is the Federal Housing Administration (FHA)?

- It is the largest mortgage insurer in the world.
- Operates entirely from self-generated income.
- The FHA is the only government agency that operates from self-generated income through mortgage insurance premiums paid by the homeowners.

Ups and Downs of FHA

- In the early 90s, FHA had about 15% of the home purchase mortgage market.
- Through the 90s FHA lost business to the sub-prime.
- By 2006 FHA market share was a marginal 3%-- and dropping.
- People asked if we still needed the FHA.

The Perfect Storm



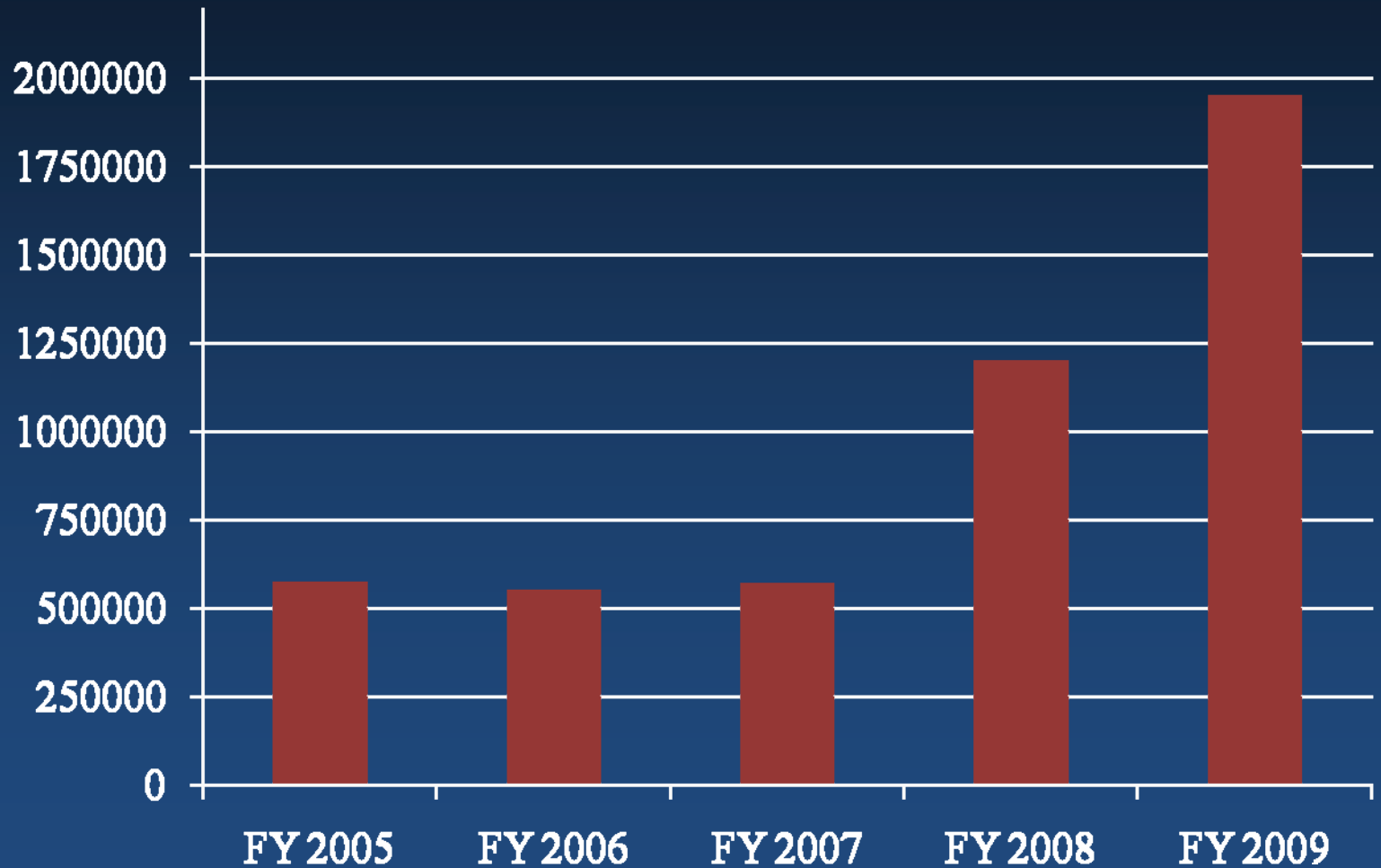
Mortgage Crisis

- FHA was left as the only game in town.
- Market conditions, new products and a Congressionally-mandated expanded role caused a resurgence in FHA's market share.
- Mortgage limits raised to \$729,750
- Now over 30% and increasing.
- In some markets, FHA loans constitute about 70% of the new loan market.

FHA's Resurgence

- In FY 2007, new mortgages totaled \$59 B
- In FY 2009, new mortgages totaled \$361 B
 - ◆ More than FYs 2005, 2006 and 2007 Combined
 - ◆ Nearly double FY 2008

FHA Endorsements FY 2005 – FY 2009



FHA's Resurgence

- Today, FHA insures 6.1 million mortgages
 - ◆ Totaling more than \$820 billion.
- More than 80% are First-Time Homebuyers
- More than half of all refinances

April FHA Report

- 126,000 Mortgages Endorsed
- 84,700 Purchases
- 36,000 Refinances
- 5,500 HECMs
- 96 HECMs for Purchase
- On track for 106,000 HECMs and 1.875 million FHA loans

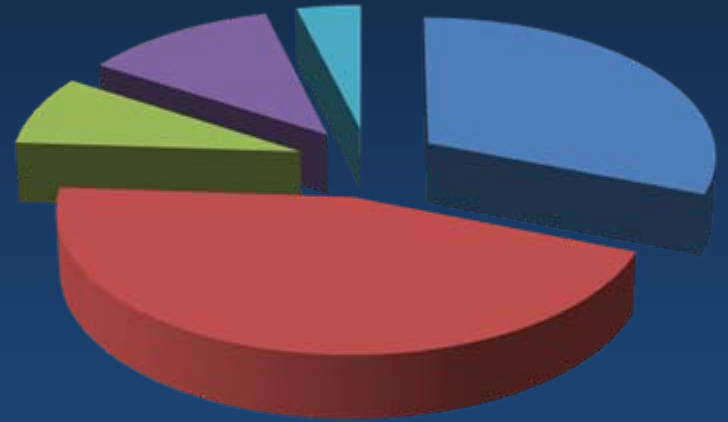
GNMA

- Total Remaining Principle Balance outstanding as of 3/31/10 –
 - ◆ \$932.966 Billion
- Expected to hit \$1 Trillion by end of FY.

FHA's Impact on HUD-OIG

Realignment of investigative priorities:

- Single Family investigations are an investigative priority.
- Established nationwide mortgage fraud initiatives.
- Special Agents participate in numerous task forces and working groups.



Financial Fraud Enforcement Task Force (FFETF)



- Created by President in November 2009.
- HUD-OIG is co-chair of Mortgage Fraud Working Group.

Mortgage Fraud Summits



Miami, FL



Phoenix, AZ

Mission of FFETF Mortgage Fraud Working Group

- Coordinate investigations and prosecution strategies between Federal, state and local jurisdictions
- Training
- Outreach

National Mortgage Fraud Team

- In December 2008, HUD OIG joined the FBI National Mortgage Fraud Team
- Bring HUD FHA data and FBI Intel data together
- Establish Multi-Agency Regional Task Forces and Working Groups
- Working closely with FinCEN and USSS

Goals of the Team

- Case Development –
 - ◆ Proactive
 - ◆ Field Support
- Liaison
- Outreach
- Training

The NMFT is analyzing:

- SFDW
- Neighborhood Watch
- SARs

The NMFT is analyzing:

■ HECMs

- ◆ Cash Out
- ◆ HECMs for Purchase
- ◆ HECM Refinances
- ◆ HECMs vs. Section 8
- ◆ Age of Borrowers
- ◆ Comparison to Assessed Values

■ SARs

Intelligence Strategy

Targeting Packages

- Targeting packages will be distributed to:
 - ◆ HUD-OIG
 - ◆ FBI, USSS
 - ◆ Other Law Enforcement Partners
 - ◆ Regional Mortgage Fraud Working Groups and Task Forces

Field Support

- Provide data from SFDW
- Research SARs
- Heat Maps
- Link Analysis

Cases

- Cross Selling
- Cash Out Theft
- Property Flipping
- Fake Down Payments
- Distressed Non-Senior Mortgagors
- Powers of Attorney



Department of Justice

ACTING UNITED STATES ATTORNEY, SALLY QUILLIAN YATES
Northern District of Georgia



Kelsey Torrey Hull



**Jonathon
Kimpson**



MOST WANTED

Name: Gia Joy GLASSE-HARRIS
Alias: Gia HARRIS

Description:

Sex: FEMALE
Race: BLACK
Date of Birth: DECEMBER 12, 1983
Place of Birth: NEW YORK, NY
Height: 5'5"

Weight: 160 POUNDS
Eyes: BROWN
Hair: BLACK
Scars/Tattoos: HEART WITH ROSE
(LOWER BACK)

Wanted For: Conspiracy to Commit Bank Fraud
Forgery (State Offense)

Warrant Issued: Northern District of GA
Warrant Number: W320286615
Warrant Date: April 20, 2010



WANTED

HARRIS is wanted for defrauding the US Department of Housing and Urban Development and victimizing vulnerable senior citizens in an attempt to fraudulently originate reverse mortgages for her own benefit. HARRIS may be living in Atlanta, GA, Queens, NY, Jamaica, NY or Virginia Beach, VA. HARRIS is currently on probation and faces up to 10 years in jail for violating her probation related prior criminal charges in Decatur, GA. HARRIS has stated she is not subject to US law and should be treated with caution.

A REWARD up to \$1,000 is being offered for information directly leading to the arrest of Gia HARRIS.

Please contact investigators at 404-425-8932 if you have any information related to HARRIS' whereabouts. You can contact HUDOIG 24 hours a day. You can provide information **anonymously**. Please visit www.hudoig.gov/mostwanted for more information related to this case.



KC Woman One Of First Charged With Reverse Mortgage Fraud



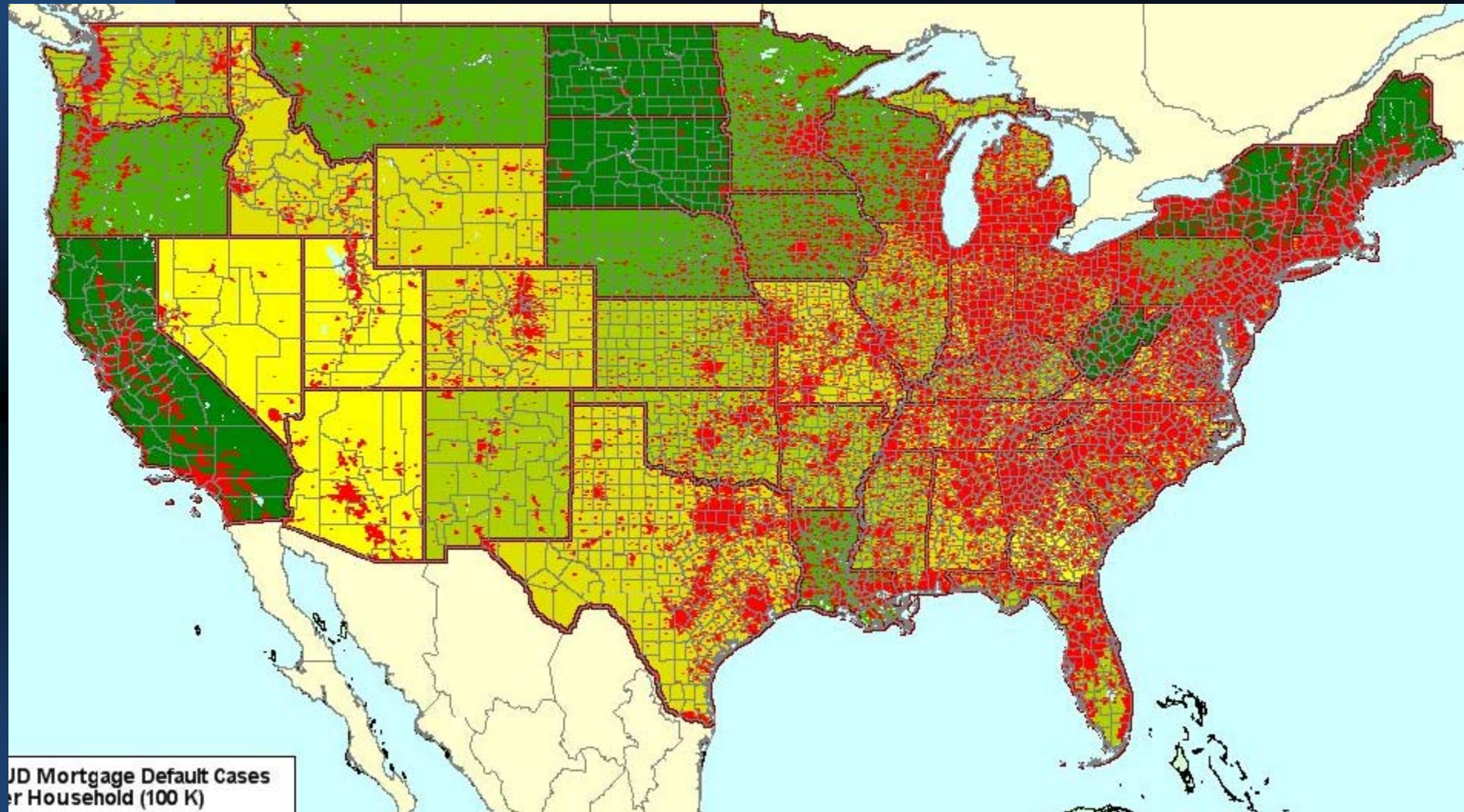
Marilyn James

Impersonation Case

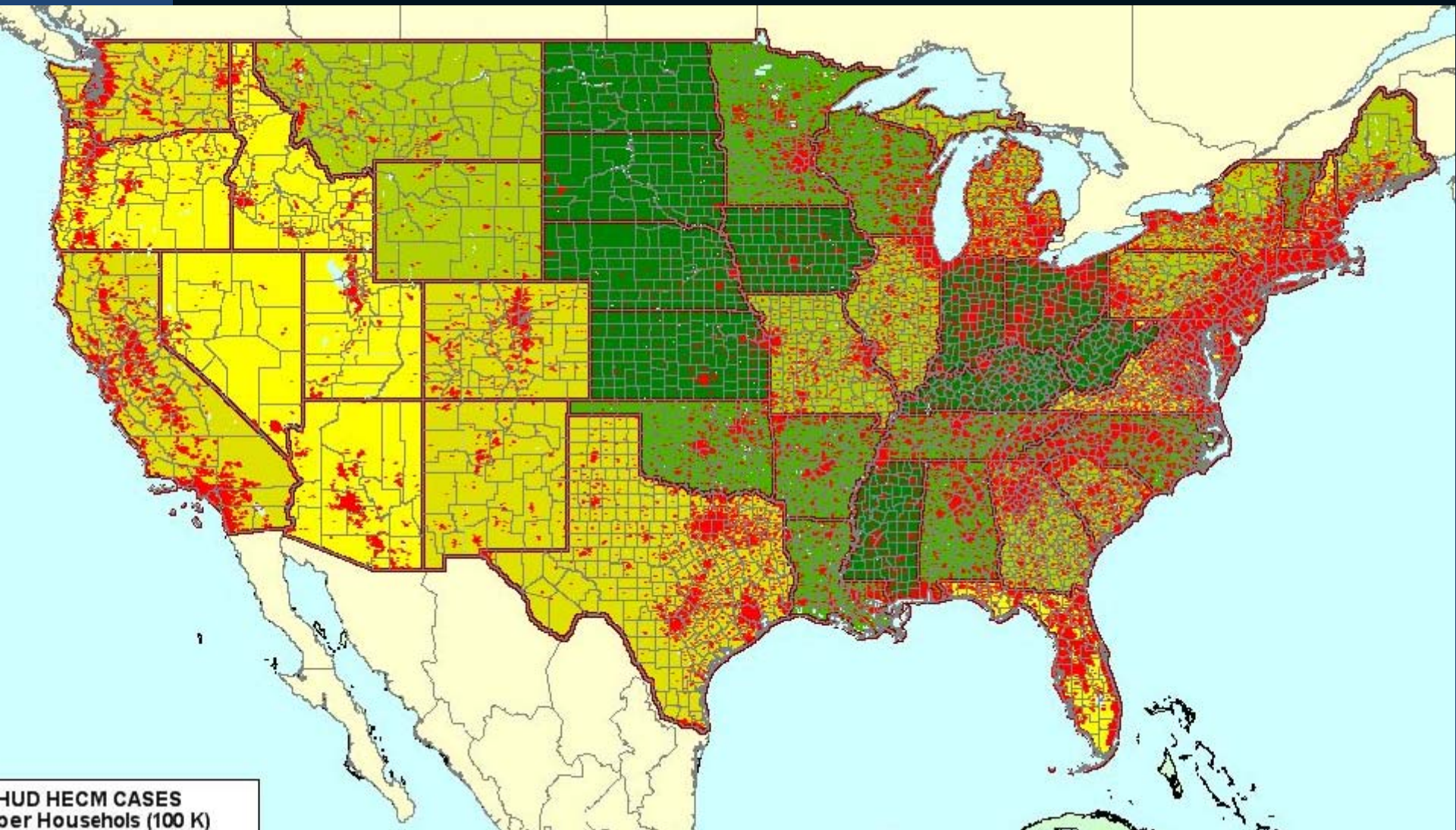


"I held my mother when she was dying and breathed in her last breath, so I am my mother," Parkin told authorities during his arrest, according to a law enforcement source close to the investigation.

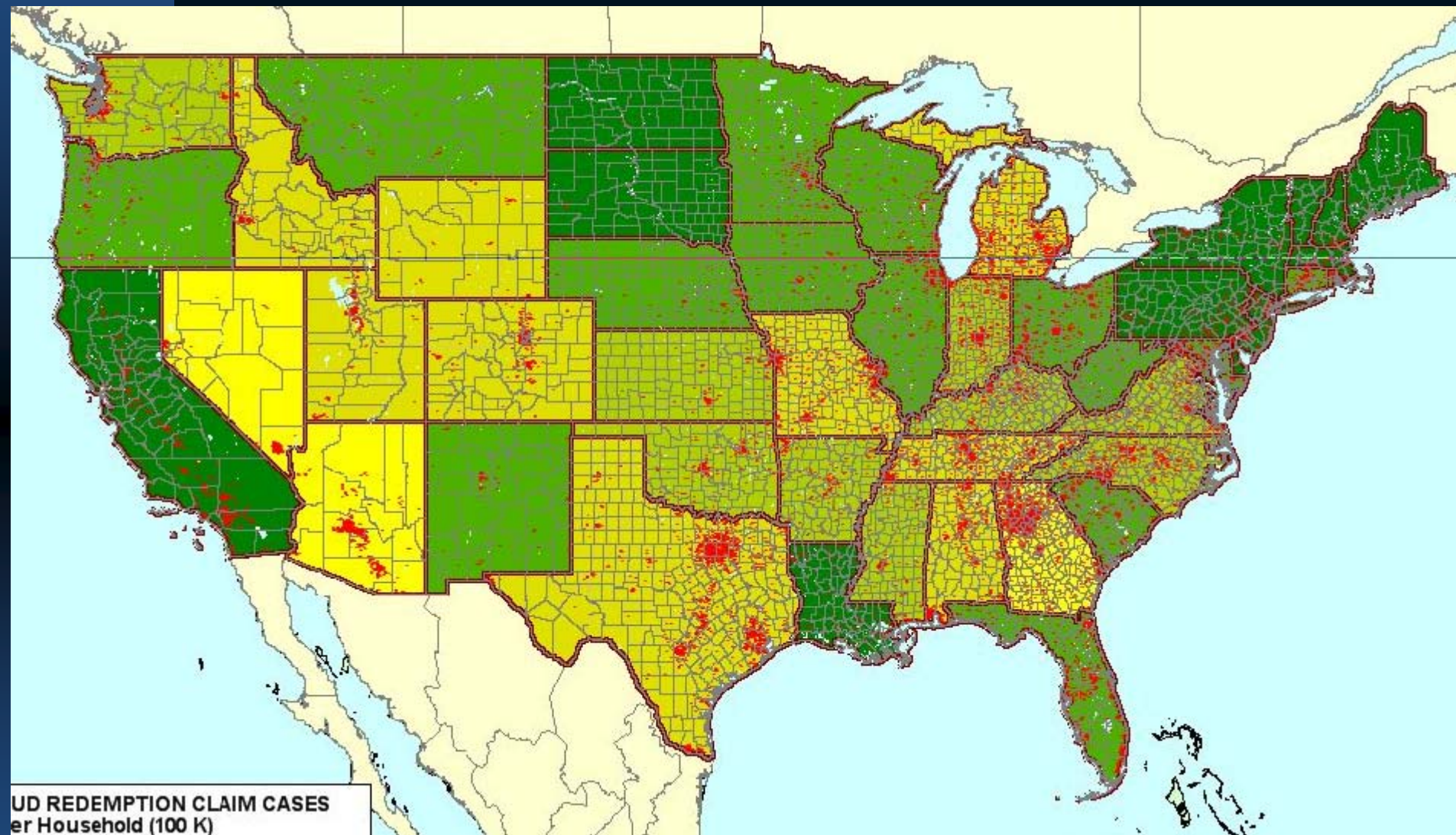
FHA Early Defaults



HECMs with Cash Out



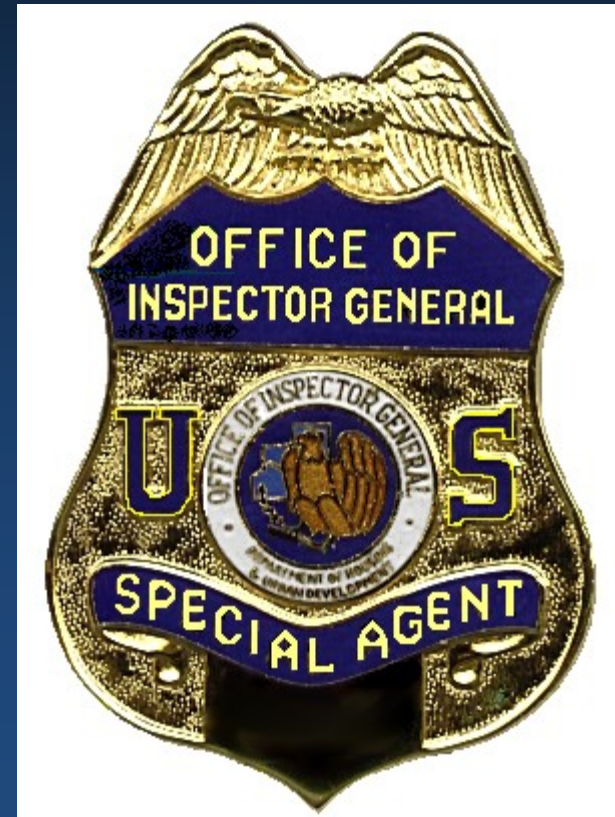
FHA Claims



Sopranos



Thank You



Contact Information

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