



# SIGTARP



OFFICE OF THE SPECIAL  
INSPECTOR GENERAL FOR  
THE TROUBLED ASSET  
RELIEF PROGRAM

QUARTERLY REPORT TO CONGRESS  
JANUARY 30, 2018



# SIGTARP

BY THE  
NUMBERS

INVESTIGATIONS



408

Criminally Charged



338

Convicted



242

Sentenced to Prison

Including

85

Homeowner Scammers



72

Bank Borrowers



1

Wall Street Trader



56

Bankers



**\$10 Billion** =

Recovered from Investigations

**35x**

Return on  
Investment



# SIGTARP

BY THE  
NUMBERS

INVESTIGATIONS

SIGTARP investigations have led to enforcement actions against

# ELEVEN

institutions.



JPMORGAN  
CHASE & CO.

Morgan Stanley



ally





# SIGTARP

## TREASURY SPENDS AT LEAST \$4 BILLION A YEAR ON TARP HOUSING PROGRAMS THAT ARE AT RISK OF FRAUD, WASTE, & ABUSE

### The Hardest Hit Fund (HHF)

helps unemployed Americans pay their mortgages. It also pays to demolish abandoned homes and for down payments for first time homebuyers.

**\$2.4 billion** available to be spent by December 2021. \$351 million was spent last quarter.

– Recipients include –



19 state agencies



235 cities or counties and 428 local partners



Hundreds of demolition contractors



Homeowners & homebuyers

### The Home Affordable Modification Program (HAMP)

pays mortgage servicers and investors to lower interest rates for homeowners at risk of foreclosure.

Up to **\$9.4 billion** available to be spent by September 2023. \$450 million was spent last quarter.

– Recipients include –



Bank of America





## MESSAGE FROM THE SPECIAL INSPECTOR GENERAL

A new year presents a new opportunity to update SIGTARP's threat assessment of TARP and position SIGTARP to counter those threats and protect the American people. In recent years, we assessed the top threat in TARP as fraud by bank insiders due to the destabilizing impact of these crimes on banks and communities.

SIGTARP prioritized and moved these cases into the prosecution phase with the Justice Department. This quarter, the 99th banker was charged with a crime, four more bankers were convicted – two found guilty by a jury, and two who pled guilty - and a banker was sentenced to prison. The four insiders convicted committed crimes at banks that collapsed, with taxpayers suffering \$13 million in TARP losses.

SIGTARP now assesses that the top threat in TARP today is unlawful conduct by any of the 130 banks and other financial institutions in TARP's \$27.8 billion Making Home Affordable Program, where Treasury has spent \$18.4 billion, and will spend up to \$9.4 billion through 2023. With an uptick in enforcement actions against financial institutions in MHA, SIGTARP is shifting resources to counter this threat.

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*SIGTARP is currently investigating unlawful conduct by banks and other financial institutions that Treasury continues to pay TARP dollars to under TARP's Making Home Affordable Program. This is the largest threat in TARP today and our top priority.*

*- Special Inspector General Christy Goldsmith Romero*

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***The stakes are high in MHA.*** Unlawful conduct in MHA can destabilize financial institutions and communities in the type of troubled assets that TARP was designed to address. Congress passed the TARP law to purchase and insure troubled assets to stabilize and prevent disruption in the economy. Those troubled assets include mortgages at risk of foreclosure and the derivatives that flowed from them. In MHA, the Government pays financial institutions to take specific actions to mitigate foreclosures and the resulting losses. These financial institutions are headquartered in 37 states. The largest, like Wells Fargo, Bank of America, JP Morgan Chase, CitiMortgage, and CIT/One West are national.

The financial institutions in MHA have experienced a financial recovery in recent years – a recovery that could be jeopardized by unlawful conduct that triggers foreclosures. With nearly one million homeowners currently in the program with mortgages that may form the basis of derivative securities, unlawful conduct risks destabilizing institutions, investors, homeowners, and communities.

*Recent enforcement actions elevate the threat level for MHA.* Ocwen, as the largest MHA institution, was the subject of a 2017 enforcement action for abusive mortgage servicing by 22 state regulators. Ocwen has received \$4.7 billion, and will receive up to an additional \$2.4 billion in TARP.

In 2015, the Justice Department brought an enforcement action against Wells Fargo, JP Morgan Chase, CitiMortgage, and Bank of America, four of the top institutions in MHA, for unlawful foreclosures on members of our armed forces. Wells Fargo, as the second largest institution in MHA, having already received \$3 billion and will receive up to another \$1.4 billion in the future. JPMorgan Chase, as the third largest MHA institution, has received \$2.9 billion in MHA, and will receive up to \$1 billion in the future. Bank of America, as the fourth largest MHA institution, has received \$2.1 billion, and will receive up to \$748 million in the future. CitiMortgage, the seventh largest MHA institution, was the subject of a 2017 enforcement action for unlawful and deceptive practices related to foreclosure relief. CitiMortgage has received \$708 million in MHA, and will receive up to \$236 million. Green Tree (now Ditech), the subject of a 2015 FTC action for abuse, including failing to honor transferred loan modifications, and the 10th largest MHA institution, will receive up to \$209 million in MHA.

The fact that Treasury is scaling back its MHA examinations to identify institutions' failure to follow MHA rules contributes to the elevated threat level. In 2016, Treasury rated Bank of America and Nationstar "Substantial Improvement Needed" in following MHA rules. Treasury no longer issues ratings, calling MHA a "closed" program, despite being committed or obligated to pay \$9.4 billion.

It's safe to say that the lessons of the housing crisis amplify the importance of SIGTARP keeping MHA protected from fraud, waste, and abuse. Law enforcement is the strongest protection for the American people. SIGTARP is well positioned to bring accountability in MHA, as shown by our record of enforcement actions against 10 major financial institutions, and 408 defendants criminally charged including 99 bankers. We cannot prevent all fraud in MHA, but we can deter fraud, stop threats from growing, and bring accountability, just as we have always succeeded in doing.

This report also discusses millions of dollars in waste found by SIGTARP forensic auditors that Treasury missed, including parties, country club lunches, seafood dinners, payment for a Mercedes Benz, catered barbeques, gifts, and more. I welcome an opportunity to talk with you about SIGTARP's work.

Respectfully,

CHRISTY GOLDSMITH ROMERO  
Special Inspector General

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# SIGTARP IDENTIFIES TOP CHALLENGES AND THREATS IN TARP

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## THE MOST SERIOUS MANAGEMENT AND PERFORMANCE CHALLENGES & THREATS OF FRAUD, WASTE, & ABUSE FACING THE GOVERNMENT IN TARP

SIGTARP identifies the most serious management and performance challenges and threats facing the Government in TARP. Our selection is based on the significance and duration of the challenge/threat to the mission of TARP and Government interests; the risk of fraud or other crimes, waste or abuse; the impact on agencies in addition to Treasury; and Treasury's progress in mitigating the challenge/threat.

*SIGTARP prioritizes its oversight to mitigate each of these six challenges/threats.*

### **Risk of Fraud, Waste and Abuse by Large Banks and Others in the Making Home Affordable Program (Until Sept. 2023)**

Unlawful conduct by any of the 130 financial institutions in MHA is the top threat in TARP. Treasury has paid \$18.4 billion and will pay up to an additional \$9.4 billion. These are not automated payments, but require reporting to Treasury and compliance with the law and Treasury's rules. The largest ten servicers stand to receive \$8.2 billion of that amount, including Ocwen, Wells Fargo, JPMorgan Chase, Bank of America, Nationstar, Select Portfolio Servicing, CitiMortgage, and OneWest/CIT, Bayview Loan Servicing, and Ditech Financial.<sup>1</sup> There are nearly one million homeowners in the program. There has been a recent uptick in enforcement actions against MHA institutions. Despite finding wrongdoing by these financial institutions, such as servicers canceling homeowners out of the program for missing three mortgage payments when the servicer erred in applying the payments, Treasury is scaling back its compliance reviews. The risk of fraud, waste, and abuse also jeopardizes the GSEs, FHFA, and Veterans Affairs that participate in MHA.

### **Risk of Corruption, Antitrust Violations, Price Fixing, Fraud, and Abuse in the Hardest Hit Fund Blight Elimination Program (Until Dec. 2021)**

This program has expanded by 1,500% since the first \$50 million allocation to the city of Detroit to demolish abandoned homes and apartments in 235 cities/counties

using \$806 million.<sup>2</sup> As SIGTARP reported in a June 2016 audit, Treasury did not apply standard controls that exist in HUD's blight program or in other Federal awards/grants. SIGTARP reported that there were no federal requirements for competition or standard limitations to only pay necessary and reasonable costs. Treasury only partially implemented 2 of SIGTARP's 20 recommendations, leaving the program open to antitrust violations, fraud, and waste. The program's heavy reliance on city/county officials often not under contract in the program also creates risk of corruption, collusion, and abuse.<sup>3</sup> In December 2015, SIGTARP reported abuse by city officials in Evansville, Indiana who wanted to expand a university's medical school, to a site of a Ford dealership. City officials evicted people on the proposed new Ford dealership site so the homes would qualify as "abandoned" in TARP, used TARP to pay for the demolitions, and moved the Ford dealership to the demolished lots.<sup>4</sup>

### **Risk of Financial Institution Fraud in Banks Where Treasury Holds Securities (No Scheduled Duration)**

Financial institution fraud jeopardizes Treasury's ability to recover TARP funds, and jeopardizes the interests of the bank regulator. SIGTARP investigations have led to criminal prosecutions in 15 of 34 failed banks with full or near-full TARP loss. Fraud in open banks also hurts that banks' ability to repay TARP. Treasury is the major shareholder in One Financial Corp. SIGTARP uncovered that the former bank CEO Layton Stuart obtained TARP on false pretenses, and diverted funds for personal use, such as luxury vehicles. Stuart died during SIGTARP's criminal investigation, and DOJ filed a forfeiture action, under which Treasury received bank stock. SIGTARP investigations also resulted in convictions of insiders in other banks currently in TARP, including Harbor Bank, Porter Bancorp, and Broadway Bank. Treasury holds warrants in Wilmington Trust, a bank indicted after SIGTARP's investigation.

### **Risk of Waste and Misuse of TARP Dollars by State Agencies for Their Own Administrative Expenses in the Hardest Hit Fund (Until 2022)**

Treasury has budgeted \$1.1 billion in TARP dollars for administrative expenses of 19 state agencies to distribute \$8.7 billion. Treasury has already spent \$786 million.<sup>5</sup> In two audits issued August 2017 and September 2016, SIGTARP identified \$11 million in wasteful and unnecessary spending by state housing agencies in the Hardest Hit Fund, including for example, catered barbeques with Treasury employees, parties, country club events, leasing a Mercedes, cash bonuses, employee perks, costs not associated with TARP. SIGTARP initiated the August 2017 audit upon a request by Senator Chuck Grassley. Senator Grassley has requested that SIGTARP review additional expenses. In October 2017, SIGTARP opened an audit into travel, conferences, and other administrative expenses.<sup>6</sup>

### **Risk of Fraud, Waste and Abuse in the Recent Expansion of the Hardest Hit Fund Absent Expansion in Risk Controls (Until Dec. 2021)**

The \$9.6 billion Hardest Hit Fund is in a ramp-up stage due to an additional \$2 billion authorized by Congress in FY2016 and a four-year extension of the program from the previously scheduled end date of FY 2018 to FY2022.<sup>7</sup> During calendar years 2016 and 2017, Treasury amended its contracts with state housing finance agencies to allow for new uses of these funds. However, Treasury has not analyzed the risks of expansion, as previously recommended by SIGTARP. Much of these funds have gone to programs that give TARP dollars to demolition contractors or home buyers, which carry heightened risk.<sup>8</sup> In addition, SIGTARP reported in July 2017 about Treasury's expansion of TARP-funded demolition to large apartment buildings without an analysis of risks.<sup>9</sup>

### **Risk of Mismanagement or Severe Underperformance by State Agencies That Jeopardizes the Hardest Hit Fund's Goals and Creates Waste**

Some of these state housing agencies were severely underperforming prior to the expansion of the Hardest Hit Fund. Mismanagement jeopardizes the program mission and is always more costly than proper management, creating waste. In October 2017, SIGTARP found that the Department of Community Affairs in Georgia mismanaged the Hardest Hit Fund. It created unnecessary red tape and overly strict criteria that resulted in turning away two of every three Georgians who applied. In one example, DCA turned away a homeowner who did not obtain an IRS-stamped tax transcript within 30 days, when other state agencies accept copies of tax returns. The decisions by DCA did not protect against fraud. HHF homeowners programs have a low risk of fraud because homeowners never receive the funds; they are wired to the mortgage servicer. DCA missed its targets to distribute the funds in the first two years, and cost TARP more than \$18 million in DCA's salaries and other expenses in subsequent years.<sup>10</sup>

TABLE 1.1

**TREASURY CONTRACTS FOR \$27.8 BILLION TO BE PAID TO HAMP MORTGAGE SERVICES UNTIL 2023 AS OF 12/31/2017**

**SIGTARP  
Investigations  
and Audits**

**\$4.7 Billion**  
*TARP dollars paid*



**\$2.4 Billion**  
*TARP Obligated or Committed to be paid*

**\$3 Billion**  
*TARP dollars paid*



**\$1.4 Billion**  
*TARP Obligated or Committed to be paid*

**\$2.9 Billion**  
*TARP dollars paid*



**\$1 Billion**  
*TARP Obligated or Committed to be paid*

**\$2.1 Billion**  
*TARP dollars paid*



**\$748 Million**  
*TARP Obligated or Committed to be paid*

**\$1.3 Billion**  
*TARP dollars paid*



**\$943 Million**  
*TARP Obligated or Committed to be paid*

**\$1.3 Billion**  
*TARP dollars paid*



**\$921 Million**  
*TARP Obligated or Committed to be paid*

**\$708 Million**  
*TARP dollars paid*



**\$236 Million**  
*TARP Obligated or Committed to be paid*

**\$426 Million**  
*TARP dollars paid*



**\$111 Million**  
*TARP Obligated or Committed to be paid*

**\$318 Million**  
*TARP dollars paid*



**\$210 Million**  
*TARP Obligated or Committed to be paid*

**\$256 Million**  
*TARP dollars paid*



**\$209 Million**  
*TARP Obligated or Committed to be paid*

**\$1.4 Billion**  
*TARP dollars paid*

Other Servicers  
(141 Institutions)\*

**\$1.2 Billion**  
*TARP Obligated or Committed to be paid*

**\$18.4 Billion**  
*TARP dollars paid*

**TOTAL**

**\$9.4 Billion**  
*TARP Obligated or Committed to be paid*

**Future  
SIGTARP  
Investigations  
and Audits**

Sources: Treasury, Aggregate Cap Monitoring Report - December 2017; SIGTARP analysis of Treasury MHA data. A total of 161 institutions have been paid or are eligible to be paid TARP funds through MHA, of which 130 can still receive TARP disbursements subsequent to 12/31/2017.

TABLE 1.2

STATUS OF \$9.8 BILLION IN HHF FUNDS AVAILABLE TO STATE AGENCIES UNTIL 2021		
Spent	State	Unspent
\$69,543,522	Alabama	\$94,101,362
\$255,982,287	Arizona	\$43,737,031
\$2,019,700,652	California	\$411,372,878
\$19,101,458	District of Columbia	\$10,606,986
\$972,662,240	Florida	\$178,288,007
\$243,222,855	Georgia	\$131,912,461
\$501,776,495	Illinois	\$239,833,876
\$214,279,941	Indiana	\$72,492,022
\$167,739,715	Kentucky	\$43,840,219
\$515,499,802	Michigan	\$254,824,942
\$98,441,948	Mississippi	\$46,650,040
\$577,242,060	North Carolina	\$148,850,611
\$301,467,234	New Jersey	\$120,458,046
\$119,722,004	Nevada	\$84,680,977
\$573,387,911	Ohio	\$196,037,404
\$264,327,037	Oregon	\$89,465,798
\$85,042,407	Rhode Island	\$32,658,877
\$253,182,699	South Carolina	\$67,680,924
\$218,806,206	Tennessee	\$87,081,743
<b>\$7,471,128,473</b>	<b>Total</b>	<b>\$2,354,574,204</b>

SIGTARP  
Investigations  
and Audits

Future  
SIGTARP  
Investigations  
and Audits

Note: Spending figures include an additional \$226 million in recycled TARP dollars.  
Source: Treasury, response to SIGTARP data call 1/6/2018; SIGTARP analysis of HHF Quarterly Financial Reports.

TABLE 1.3

TREASURY CONTRACTS PAYING \$1.1 BILLION IN HARDEST HIT FUND ADMIN EXPENSES UNTIL 2021		
Spent	State	Unspent
\$184.8 Million	 California	\$57 Million
\$78.2 Million	 Florida	\$46.7 Million
\$75.2 Million	 North Carolina	\$20.6 Million
\$54.6 Million	 Ohio	\$12 Million
\$42.8 Million	 Michigan	\$27.2 Million
\$46.3 Million	 Illinois	\$22 Million
\$41.8 Million	 Oregon	\$15.9 Million
\$37.7 Million	 South Carolina	\$19.6 Million
\$34.7 Million	 Georgia	\$14.5 Million
\$34 Million	 Indiana	\$4.3 Million
\$31.4 Million	 New Jersey	\$13.6 Million
\$25.8 Million	 Arizona	\$13.9 Million
\$20.6 Million	 Tennessee	\$15 Million
\$19.7 Million	 Nevada	\$5.6 Million
\$17 Million	 Kentucky	\$3 Million
\$14.5 Million	 Mississippi	\$7 Million
\$12.2 Million	 Alabama	\$15 Million
\$11.3 Million	 Rhode Island	\$6.1 Million
\$3.9 Million	 District of Columbia	\$1.9 Million
<b>\$786.4 Million</b>	<b>Total</b>	<b>\$319.7 Million</b>

Source: Treasury, response to SIGTARP data call - 1/6/2018; SIGTARP analysis of HHF Quarterly Financial Reports.



TABLE 1.4

<b>TREASURY HOLDINGS OF TARP SECURITIES IN BANKS AS OF 12/31/2017</b>						
<b>Program</b>	<b>Bank</b>	<b>Outstanding Principal Investment</b>	<b>Warrants Remaining</b>	<b>Missed Dividends</b>	<b>SIGTARP Investigation</b>	
Capital Purchase Program (CPP)	OneFinancial Corporation	\$17,300,000		\$11,707,911	✓	
	One United Bank	\$12,063,000		\$7,087,013		
	Harbor Bankshares Corporation	\$6,800,000		\$3,434,000	✓	
	Pinnacle Bank Holding Company, Inc.	\$4,389,000		\$2,408,160	✓	
	Broadway Financial Corporation	\$3,984,332			✓	
	St. Johns Bancshares, Inc.	\$3,000,000				
	Synovus Financial Corp.		\$2,215,820		✓	
	Royal Bancshares Of Pennsylvania, Inc.		\$1,368,041	\$7,601,750		
	First Bancorp (PR)		\$1,285,900			
	Severn Bancorp, Inc.		\$556,976	\$1,754,475		
	Wilmington Trust Corporation / M&T Bank Corporation		\$95,440		✓	
	Porter Bancorp, Inc.(PBI)		\$66,112	\$6,737,500	✓	
	Village Bank And Trust Financial Corp.		\$31,189	\$2,026,475		
	Pacific International Bancorp / BBCN Bancorp, Inc.		\$20,087			
	<b>CPP Total</b>		<b>\$47,536,332</b>	<b>\$5,082,772</b>	<b>\$41,002,808</b>	<b>7</b>
	Community Development Capital Initiative (CDCI)	Carver Bancorp, Inc	\$18,980,000			
		First American International Corp.	\$17,000,000			
IBC Bancorp, Inc.		\$8,086,000				
Hope Federal Credit Union		\$4,520,000				
Community Bank of the Bay		\$4,060,000		\$20,300		
Carter Federal Credit Union		\$3,800,000				
Cooperative Center Federal Credit Union		\$2,799,000				
Tri-State Bank of Memphis		\$2,795,000		\$195,650		
Community First Guam Federal Credit Union		\$2,650,000				
Opportunities Credit Union		\$1,091,000				
D.C. Federal Credit Union		\$500,000				
Tulane-Loyola Federal Credit Union		\$424,000				
Northeast Community Federal Credit Union		\$350,000				
North Side Community Federal Credit Union		\$325,000				
Neighborhood Trust Federal Credit Union		\$283,000				
Buffalo Cooperative Federal Credit Union		\$145,000				
Vigo County Federal Credit Union		\$102,450				
Episcopal Community Federal Credit Union		\$100,000				
Liberty County Teachers Federal Credit Union		\$87,000				
Union Baptist Church Federal Credit Union		\$10,000				
East End Baptist Tabernacle Federal Credit Union	\$7,000					
<b>CDCI Total</b>		<b>\$68,114,450</b>	<b>—</b>	<b>\$215,950</b>	<b>0</b>	
<b>TOTAL BANKS</b>		<b>\$115,650,782</b>	<b>\$5,082,772</b>	<b>\$41,218,758</b>	<b>7</b>	

**Source:** Treasury, Transactions Report, 12/20/2017; Treasury, response to SIGTARP data call 1/6/2017; Treasury Dividends and Interest Report, December 2017.



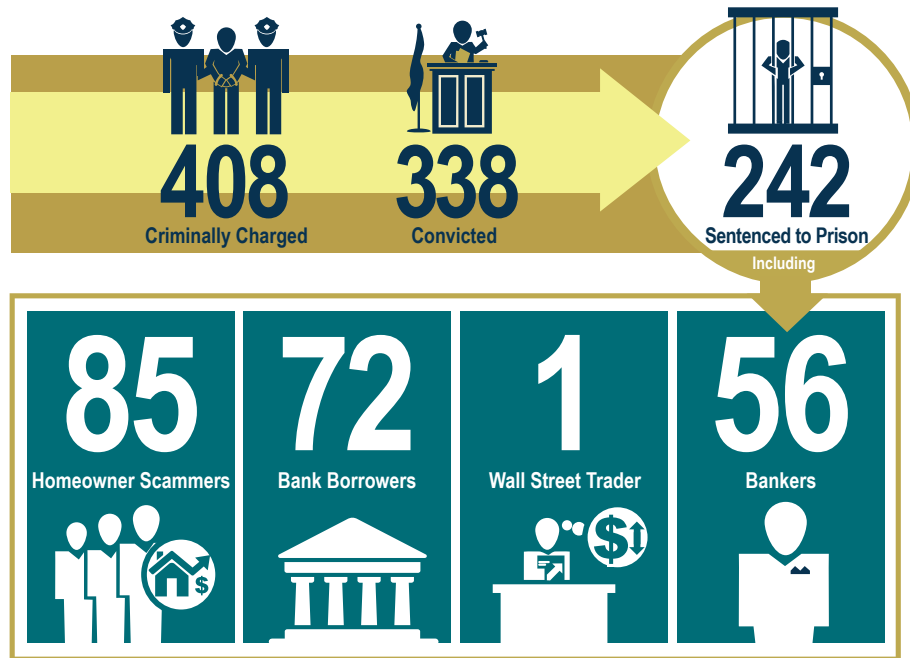
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SIGTARP LAW ENFORCEMENT

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## LAW ENFORCEMENT MISSION



As of January 16, 2018 | Convictions include one reversed on appeal and two vacated due to death or cooperation | Prison Sentences include one reversed on appeal | Charges are not evidence of guilt | Many defendants await trial and sentencing

SIGTARP is primarily a federal law enforcement agency protecting the interests of the American people by investigating crime at financial institutions that received TARP funds or other TARP recipients in housing programs. Now, 83 bankers have been convicted.

### Intelligence Driven Law Enforcement

When first created, SIGTARP found that financial institution fraud had evolved from the insider self-dealing fraud that marked the savings and loan crisis, to escape detection from traditional fraud identification methods of self-reporting and regulator referrals. SIGTARP created an intelligence driven approach that led to SIGTARP finding crime by insiders at banks that went previously undetected. Now, 83 bankers have been convicted resulting from SIGTARP investigations.

SIGTARP is currently applying its intelligence driven approach to search for crime in TARP housing programs where Treasury continues to spend around \$4 billion a year.<sup>11</sup> TARP recipients include 130 mortgage servicers including large banks in the Making Home Affordable Program, like Wells Fargo, Bank of America, and JPMorgan Chase, as well as blight demolition contractors and sub-contractors and local partners in eight states. SIGTARP gained expertise in investigating large institutions through our investigations that resulted in significant DOJ enforcement actions against Goldman Sachs, Bank of America, JPMorgan Chase, Morgan Stanley, Ally Financial, Wilmington Trust, Sun Trust Bank, Fifth Third Bank, Jefferies & Co., and RBS Securities.

## SIGTARP's Return on Investment and Agency Budget Constraints to Impede SIGTARP's Mission and Capabilities



For fiscal year 2018 budget, the Treasury Secretary decided to cut SIGTARP's budget by 50% from approximately \$40 million to \$20 million. As authorized by Section 6(g)(3)(E) of the Inspector General Act, the Special Inspector General issued a statement in the President's Budget request sent to Congress, stating that the cut substantially inhibits SIGTARP from performing our mission. The House markup for 2018 was \$37.044 million, and the Senate mark up was \$34 million.

SIGTARP continues to assess current and future operations to fulfill its mission and reduce spending, while not serving as a burden on taxpayers. SIGTARP's investigations have recovered \$10 billion - a 35-times return on investment.<sup>vii</sup> Already in Fiscal Year 2018, SIGTARP has recovered \$104 million, exceeding SIGTARP's budget request, and more than five times the President's budget request. Fiscal Year 2017 recoveries of \$66.9 million exceeded SIGTARP's appropriated budget of \$41 million.

### Government Recovery through Property Seizures and Forfeitures

SIGTARP's culture includes maximizing recoveries of losses to the Government. SIGTARP assists in tracing proceeds of the crime, such as land, houses, cars, boats, and artwork. Property already seized or ordered to be forfeited in SIGTARP cases include:

- Nearly 30 businesses and waterfront homes,
- More than 70 bank accounts (including a bank account located in the Cayman Islands),
- Currency including Bitcoin cryptocurrency, bags of silver, U.S. currency, antique and collector coins NetSpend Visa and CashPass MasterCard debit cards, and Western Union money orders with the "Pay To" line blank,
- Collector and luxury cars such as, a 1963 Rolls Royce, a 2012 Aston Martin, a 2010 Aston Martin DBS Volante Convertible, a 2008 Maserati Granturismo Coupe, a 1969 Shelby Mustang, a 1932 Ford Model A, a 1954 Cadillac Eldorado convertible, a 1965 Shelby Cobra, a 2013 Ferrari 458 Italia, a 1948 Pontiac Silver Streak, a 2007 Ferrari, a 2014 Jaguar convertible, a 1997 Dodge Viper, a 1957 Chevrolet Nomad, a 1957 Chevrolet BelAir, a 2011 Mercedes Benz SLS, a 2008 Cadillac Escalade, a 2013 Range Rover, a 2011 Cadillac SRX Performance, a 1957 Cadillac Coup de Ville, and other vehicles.

Seizures and forfeitures bring money back to victims and the Government and ensure that crime does not pay, as defendants are unable to keep the proceeds of their crime.

<sup>vii</sup> From SIGTARP's annual appropriated budget. Recoveries include homeowner relief. Return on investment is based on SIGTARP's annual appropriations 2010-2017.



ORDERED FORFEITED AND SEIZED



2013 Ferrari 458 Italia (\$233,509)



2005 54' Hylas yacht "Swept Away"



1948 Pontiac Silver Streak.



2010 Mercedes-Benz GLK 350 4Matic. Estimated value in 2013: \$29,000. (Source Kelley Blue Book)



2005 Hummer H2. Estimated value in 2013: \$24,000. (Source Kelley Blue Book)



1958 Mercedes-Benz Cabriolet 220. Estimated value in 2013: \$185,000. (Source Hagerty.com)



Property located in Chesapeake, Virginia. (Photo courtesy of Bill Tiernan, The Virginian-Pilot)



French-style gilt, bronze, and green malachite columnar 16-light torchères with bronze candelabra arms. Estimated appraised value: \$8,000.



1934 Ford Coupe



1957 Cadillac Coupe de Ville



1961 Chevrolet Corvette



Cash seized from safe, \$158,000.





Kubota tractor (\$27,600).



Artwork with a total value of \$71,525, including paintings worth up to \$10,000 each.



19th century English painting of "Royal Family," oil on canvas. Estimated appraised value: \$6,000.



Bitcoin Cryptocurrency (\$362,317)



2008 Maserati Grandturismo (\$39,800)



2014 Jaguar Convertible (\$54,200)



Cash



2013 Range Rover



2008 Cadillac Escalade



2011 Cadillac SRX Performance



1963 Chevrolet Corvette Stingray



1971 Chevrolet Corvette Stingray

## Countering Threats to Public Safety and Government Interests

SIGTARP's law enforcement counters threats to public safety and Government interests by investigating criminal actors and working with the Justice Department to prosecute those criminal actors.<sup>viii</sup> SIGTARP has concurrent responsibility with the Federal Bureau of Investigations over criminal activity related to TARP. With 242 people sentenced to prison resulting from a SIGTARP investigation at an average prison sentence of nearly five years, the threat these crimes pose is significant.

### **SIGTARP current investigations counter threats including:**

- Financial Institution Fraud
- Public Corruption
- Antitrust/Unfair Competition
- Contract Fraud/False Claims Act/Theft or Bribery in TARP programs
- Organized Crime

**Financial Institution Fraud:** SIGTARP's highest priority is investigating banks and other financial institutions receiving TARP dollars in the Making Home Affordable Program. Our investigations into TARP banks have already resulted in 99 bankers charged with a crime. Our remaining work in this area has now moved into supporting the Justice Department in its efforts to prosecute TARP bankers that we investigated. For example, in December, 2017, a jury convicted a CEO and a Vice President of a TARP bank that failed, resulting in a complete loss to TARP.

**Public Corruption:** The corruption of local officials threatens public safety. State and local officials award contracts under the \$800 million Hardest Hit Fund blight demolition program.

**Antitrust Violations:** Unfair competitive practices in TARP housing programs including contract steering, bid rigging and price fixing, threatens the quality of work, harms public safety, threatens competition, and results in higher costs.

**Contract Fraud, False Claims/Theft or Bribery in TARP Programs:** Demolition contractors. State agencies. Fraud in any of these risk areas harm Government interests.

**Organized Crime:** Organized crime in the \$800 million blight demolition program or in TARP banks threatens public safety and Government interests.

<sup>viii</sup> SIGTARP made 7 referrals for prosecution this reporting period.

## RESULTS OF SIGTARP'S BANK INVESTIGATIONS



### BANKERS

99 INDICTED  
 84 CONVICTED\*  
 57 SENTENCED\*\*  
 TO PRISON  
 4 SENTENCED TO HOME  
 CONFINEMENT

### BANKER'S CO-CONSPIRATORS

91 INDICTED  
 63 CONVICTED  
 46 SENTENCED  
 TO PRISON  
 4 SENTENCED TO HOME  
 CONFINEMENT

### BORROWERS DEFRAUDING BANKS

57 INDICTED  
 47 CONVICTED  
 34 SENTENCED  
 TO PRISON

As of January 16, 2018

\*Includes one reversed on appeal and one vacated due to cooperation.

\*\*Includes one reversed on appeal.

## 57 BANKERS SENTENCED TO PRISON\*



**Edward Woodard**  
23 Years in Prison  
5 Years Supervised Release  
CEO, President  
Bank of the Commonwealth



**Stephen Fields**  
17 Years in Prison  
5 Years Supervised Release  
Executive Vice President, Commercial  
Loan Officer  
Bank of the Commonwealth



**Mark A. Conner**  
12 Years in Prison  
5 Years Supervised Release  
Acting CEO, Chairman, Vice Chairman,  
President, COO  
First City Bank



**Gilbert Lundstrom**  
11 Years in Prison  
2 Years Supervised Release  
CEO, Chairman  
TierOne Bank



**Shawn Leo Portmann**  
10 Years in Prison  
5 Years Supervised Release  
Senior Vice President, Loan Officer  
Pierce Commercial Bank



**Ebrahim Shabudin**  
8 Years and 1 Month in Prison  
3 Years Supervised Release  
Chief Credit Officer, Executive Vice  
President, Chief Operating Officer  
United Commercial Bank (UCBH)



**Troy Brandon Woodard**  
8 Years in Prison  
5 Years Supervised Release  
Vice President  
Bank of the Commonwealth (Subsidiary)



**Catherine Kissick**  
8 Years in Prison  
3 Years Supervised Release  
Senior Vice President  
Colonial Bank



**Clayton A. Coe**  
7 Years and 3 Months in Prison  
5 Years Supervised Release  
Vice President, Senior Commercial Loan  
Officer  
FirstCity Bank



**Gary Patton Hall**  
7 Years in Prison  
3 Years Supervised Release  
CEO, President  
Tifton Bank



**Kirk Marsh**  
6 Years and 6 Months in Prison  
3 Years Supervised Release  
Vice President for Government Contract  
Lending; Vice President  
Virginia Commerce Bank; Fulton Bank



**Jerry J. Williams**  
6 Years in Prison  
3 Years Supervised Release  
CEO, President, Chairman  
Orion Bank



**Adam Teague**  
5 Years and 10 Months in Prison  
5 Years Supervised Release  
Senior Vice President  
Appalachian Community Bank



**Anthony Atkins**  
5 Years and 3 Months in Prison  
5 Years Supervised Release  
President, CEO  
Gulf South Private Bank



**Jeffrey Levine**  
5 Years in Prison  
5 Years Supervised Release  
Executive Vice President  
Omni Bank



**Zulfakir Esmail**  
5 Years in Prison  
CEO, Chairman; President  
Premier Bank; Premier Bancorp



**William R. Beamon, Jr.**  
3 Years and 6 Months in Prison  
5 Years Supervised Release  
Vice President  
Appalachian Community Bank



**Robert E. Maloney, Jr.**  
3 Years and 3 Months in Prison  
3 Years Supervised Release  
In-house Attorney  
FirstCity Bank



**Christopher Tumbaga**  
3 Years in Prison  
4 Years Supervised Release  
Commercial Loan Officer  
Colorado East Bank & Trust



**James A. Laphen**  
2 Years and 10 Months in Prison  
2 Years Supervised Release  
Acting CEO, COO, President  
TierOne Bank



**Melvin Rohs**  
2 years and 9 months in Prison  
5 years Supervised Release  
Senior Vice President, Senior Loan Officer  
Citizens Bank of Northern California



**Jeff H. Bell**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
President; Head Factoring Division,  
Transportation Alliance Bank; Stearns Bank



**Thomas Hebble**  
2 Years and 6 Months in Prison  
3 Years Supervised Release  
Executive Vice President  
Orion Bank



**Charles Antonucci**  
2 Years and 6 Months in Prison  
2 Years Supervised Release  
CEO, President  
Park Avenue Bank



## 57 BANKERS SENTENCED TO PRISON (continued)\*



**Joseph Tobin**  
2 Years in Prison  
5 Year Supervised Release  
Vice President, Loan Officer  
PBI Bank



**Reginald Harper**  
2 Years in Prison  
3 Years Supervised Release  
CEO, President  
First Community Bank



**James Ladio**  
2 Years in Prison  
2 Years Supervised Release  
CEO, President; Chief Lending Officer  
MidCoast Community Bank;  
Artisan's Bank



**Angel Guerzon**  
2 Years in Prison  
2 Years Supervised Release  
Senior Vice President  
Orion Bank



**Karim Lawrence**  
1 Year and 9 Months in Prison  
5 Years Supervised Release  
Vice President, Loan Officer  
Omni Bank



**Don A. Langford**  
1 Year and 9 Months in Prison  
2 Years Supervised Release  
Chief Credit Officer, Senior Vice President  
TierOne Bank



**Allen Reichman**  
1 Year and 9 Months in Prison  
2 Years Supervised Release  
Executive Director of Investments  
Oppenheimer



**David Weimert\***  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Senior Vice President in Lending Administration, President  
Anchor Bank; Investment Directions, Inc. (Subsidiary)  
Reversed on Appeal



**Poppi Metaxas**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
CEO, President  
Gateway Bank



**Paul Ryan**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Loan Officer  
Broadway Federal Bank



**Michael "Sean" Davis**  
1 Year 3 Months in Prison  
3 Years Supervised Release  
President  
Premier Community Bank of the Emerald Coast; Bank of America, Beach Community Bank



**Brian Hartline**  
1 Year and 2 Months in Prison  
3 Years Supervised Release  
CEO, President  
NOVA Bank



**Jose Martins**  
1 Year in Prison  
3 Years Supervised Release  
Loan Officer  
Wells Fargo



**Matthew L. Morris**  
1 Year in Prison  
3 Years Supervised Release  
Senior Vice President  
Park Avenue Bank



**Justin T. Brough**  
11 Months in Prison  
5 Years Supervised Release  
Senior Vice President  
Bank of America



**Barry Bekkedam**  
11 months in Prison  
3 Years Supervised Release  
Former Chairman  
NOVA Bank/NOVA Financial Holdings



**Jeanette Salsi**  
7 Months in Prison  
3 Years Supervised Release  
Senior Underwriter  
Pierce Commercial Bank



**Brian W. Harrison**  
6 Months in Prison  
6 Months Supervised Release  
Vice President, Loan Officer  
Farmer's Bank



**Phillip Alan Owen**  
6 Months in Prison  
6 Months Supervised Release  
Branch Manager  
Superior Bank



**Samuel Cobb**  
3 Months in Prison  
5 Years Supervised Release  
Senior Vice President  
Front Range Bank



**Candice White**  
3 Months in Prison  
3 Years Supervised Release  
Senior Vice President  
Front Range Bank



**Teresa Kelly**  
3 Months in Prison  
3 Years Supervised Release  
Operations Supervisor  
Colonial Bank



**Alice Lorraine Barney**  
2 Months in Prison  
3 Years Supervised Release  
Assistant to Shawn Portmann  
Pierce Commercial Bank



**Rodney Dunn**  
2 Months in Prison  
1 Year Supervised Release  
Vice President  
Harbor Bank of Maryland



**Sonja Lightfoot**  
1 Month in Prison  
3 Years Supervised Release  
Senior Vice President of Residential Lending  
Pierce Commercial Bank



**Sam Tuttle**  
1 Day in Prison  
6 Months Home Confinement  
3 Years supervised release  
Vice President, Loan Officer  
Pierce Commercial Bank



**Robert Pennington**  
Time Served  
5 Years Supervised Release  
5 Months Home Confinement  
Vice President  
Citizens First National Bank



**Helene DeCillis**  
Time Served  
3 Years Supervised Release  
Chief Operating Officer  
Lend America, Gateway Bank



**Benjamin Leske**  
Time Served  
2 Years Supervised Release  
1 Month Home Confinement  
Loan Officer  
Pierce Commercial Bank



**Ed Rounds**  
Time Served  
2 Years Supervised Release  
Loan Officer  
Pierce Commercial Bank



**Angela Crozier**  
Time Served  
1 Year Supervised Release  
Loan Processor  
Pierce Commercial Bank



**Michael Primeau**  
Time Served  
3 Years Supervised Release  
President  
Lend America



**Craig Meyer**  
Time Served  
1 Year Supervised Release  
Vice President, Principle, Loan Officer  
Pierce Commercial Bank

## HOME CONFINEMENT

**Adam Voelker**  
2 Months Home Confinement  
Loan Processor  
Pierce Commercial Bank

**Darryl Woods**  
1 Year Home Confinement  
CEO, Chairman, CFO (Mainstreet Bank); Chairman, President (Calvert Financial Corp.)  
Mainstreet Bank

**Jeremy Churchill**  
1 Year Home Confinement  
Vice President, Commercial Loan Officer  
Bank of the Commonwealth

**Matthew Daniel Sweet**  
6 Months Home Confinement  
Vice President, Controller  
One Bank and Trust, N.A.



# 46 BANKER CO-CONSPIRATORS SENTENCED TO PRISON



**Lee Bently Farkas**  
30 Years in Prison  
3 Years Supervised Release  
Chairman, CEO  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Mark Anthony McBride**  
14 Years and 2 Months in Prison  
5 Years Supervised Release  
(Omni National Bank Case)



**Delroy Davy**  
14 Years in Prison  
5 Years Supervised Release  
Owner  
Quantum Builders LLC, Jamsen  
Properties LLC, Realty Group LLC,  
DNK Investment Group LLC  
(Omni National Bank Case)



**George Hranowskyj**  
14 Years in Prison  
3 Years Supervised Release  
Owner/Operator  
345 Granby, LLC, Norfolk Property  
Development LLC  
(Bank of the Commonwealth Case)



**Wilbur Anthony Huff**  
12 Years in Prison  
4 Years Supervised Release  
Owner  
O2HR, LLC; Oxygen Unlimited,  
LLC; General Employment  
Enterprises  
(Park Avenue Bank Case)



**Eric Menden**  
11 Years and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
345 Granby, LLC; Norfolk Property  
Development LLC  
(Bank of the Commonwealth Case)



**Daniel Sexton**  
9 Years and 1 Month in Prison  
5 Years Supervised Release  
Operator  
DS Realty, DES Equipment Waste  
Mgmt Solutions, Georgetown  
Mobile Home Sales of Central  
Kentucky  
(PBI Bank Case)



**Lawrence Wright**  
6 Years and 3 Months in Prison  
5 Years Supervised Release  
Bluwater Real Estate  
Investments, LLC  
(GulfSouth Private Bank Case)



**Desiree Brown**  
6 Years in Prison  
3 Years Supervised Release  
Vice President, Treasurer  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Francesco Miletto**  
5 Years and 5 Months in Prison  
5 Years Supervised Release  
Owner  
Florida Metro One, LLC, Southeast  
Retail Portfolio, LLC, Trust Member,  
LLC, TMLS Heritage, LLC,  
(Orion Bank Case)



**Richard Pinto [deceased]**  
5 Years in Prison  
5 Years Supervised Release  
Chairman, co-founder  
Oxford Collection Agency  
(Ally Financial, CitiGroup,  
JP Morgan, U.S. Bank, Webster  
Bank, Wells Fargo Case)



**Jonathan Williams**  
5 Years in Prison  
5 Years Supervised Release  
Accountant, Operator  
DS Realty, DES Equipment Waste  
Mgmt. Solutions, Georgetown  
Mobile Home Sales of Central  
Kentucky  
(PBI Bank Case)



**Paul Chemidlin**  
5 Years in Prison  
3 Years Supervised Release  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Delton DeArmas**  
5 Years in Prison  
3 Years Supervised Release  
CFO  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Dwight Etheridge**  
4 Years and 2 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
Tivest Development and  
Construction LLC  
(Bank of the Commonwealth Case)



**Peter Pinto**  
4 Years in Prison  
3 Years Supervised Release  
CEO, President  
Oxford Collection Agency  
(Ally Financial, CitiGroup,  
JP Morgan, U.S. Bank, Webster  
Bank, Wells Fargo Case)



**Leonard Potillo**  
3 Years and 10 Months in Prison  
3 Years Supervised Release  
Owner  
United Credit Recovery LLC  
(Ally Financial, CitiGroup,  
JP Morgan, U.S. Bank, Webster  
Bank, Wells Fargo Case)



**Paul Allen**  
3 Years and 4 Months in Prison  
2 Years Supervised Release  
CEO  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Brent Merriell**  
3 Years and 3 Months in Prison  
5 Years Supervised Release  
(Omni National Bank Case)



**Brian Headle**  
3 Years in Prison  
4 Years Supervised Release  
Owner  
Investment One LLC  
(ColoEast Bank and Trust Case)



**Dello Coutinho**  
3 Years in Prison  
3 Years Supervised Release  
Loan Officer  
Ameridream  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**David Odum**  
2 Years and 2 Months in Prison  
3 Years Supervised Release  
President  
Cityscope Productions, LLC  
(Harbor Bank of Maryland)



**Ray Bowman**  
2 Years and 6 Months in Prison  
2 Years Supervised Release  
President  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Tommy Arney**  
2 Years and 3 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
Body Shop Go-Go club,  
Bootleggers, Maxwell's Tavern  
(Bank of the Commonwealth Case)



**Carmine Fusco**  
2 Years and 3 Months in Prison  
3 Years Supervised Release  
Appraiser  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Sheila Flynn**  
2 Years in Prison  
5 Years Supervised Release  
Operator  
DS Realty, DES Equipment Waste  
Mgmt. Solutions, Georgetown  
Mobile Home Sales of Central  
Kentucky  
(PBI Bank Case)



**Kenneth Sweetman**  
3 Years in Prison  
3 Years Supervised Release  
Title Agent  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Luis Fernando Krueger**  
2 Years in Prison  
3 Years Supervised Release  
Director of Business Development  
Blackstone Development Group  
(Saigon National Bank Case)



**Matthew Amento**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
Residential Real Estate and  
Construction, LLC  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Daryl Wesley Clements**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner  
Lank Resources Partner, LLC  
(Harbor Bank of Maryland Case)



**William Cody**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
C&C Holdings LLC  
(GulfSouth Private Bank Case)



**Troy A. Fouquet**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner  
Team Mgmt LLC, TRISA  
(First Community Bank Case)



**Christopher Woods**  
1 Year and 6 Months in Prison  
3 Years Supervised Release  
Owner/Operator  
Champ Construction LLC  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Chester Peggese**  
1 Year in Prison  
5 Years Supervised Release  
Loan Consultant  
(Broadway Federal Bank Case)



**Carlos Peralta**  
1 Year in Prison  
3 Years Supervised Release  
(Park Avenue Bank Case)

## 46 BANKER CO-CONSPIRATORS SENTENCED TO PRISON (continued)



**Salvatore Leone**

1 Year in Prison  
3 Years Supervised Release  
Project Manager/Partner  
TBC Enterprises, LLC, North  
Dover Holdings, LLC, Shoppes at  
FieldStone Village, LLC  
(Wilmington Trust Case)



**Derrick Cheung**

1 Year in Prison  
2 Years Supervised Release  
(Saigon National Bank Case)



**Alberto Solaroli**

1 Year in Prison  
2 Years Supervised Release  
Owner  
CET Racing  
(OneFinancial Corporation Case)



**Christopher Ju**

10 Months in Prison  
2 Years Probation  
Title Agent  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Jose Luis Salguero Bedoya**

10 Months in Prison  
3 Years Supervised Release  
Owner  
New Jersey Real Estate Holding,  
New Jersey Property Management  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank, Wells  
Fargo Case)



**Jason Maurice Robinson**

6 Months in Prison  
5 Years supervised release  
Used car salesman  
(Superior Bancorp Case)



**Sean Ragland**

3 Months in Prison  
3 Years Supervised Release  
Senior Financial Analyst  
Taylor, Bean & Whitaker  
(Colonial Bank Case)



**Bruce Houle**

1 Day in Prison  
5 Years Supervised Release  
6 Months Home Confinement  
Owner  
Bah Dev, LLC  
(GulfSouth Private Bank Case)



**Mark W. Shoemaker**

1 Day in Prison  
5 Years Supervised Release  
Burnt Pine Properties, LLC  
(GulfSouth Private Bank Case)



**Michael Bradley Bowen**

1 Day in Prison  
5 Years Supervised Release  
C-Note Development Company LLC  
(GulfSouth Private Bank Case)



**Yazmin Soto-Cruz**

Time Served  
8 Months Home Confinement  
3 Years Supervised Release  
(Bank of America, CitiGroup,  
PNC Bank, U.S. Bank,  
Wells Fargo Case)

## HOME CONFINEMENT

**Randall Silver**

1 Year Home Confinement  
CFO  
Oxford Collection Agency Inc.  
(Oxford Collection Case)

**Recardo Lewis**

6 Months Home Confinement  
Project Manager  
Tivest Development & Construction,  
LLC  
(Bank of the Commonwealth Case)

**Patrick Pinto**

6 Months Home Confinement  
Co-owner  
Oxford Collection Agency Inc.  
(Oxford Collection Case)

**Charles Harris**

6 Months Home Confinement  
Co-owner  
Oxford Collection Agency Inc.  
(Oxford Collection Case)

## 36 DEFENDANTS WHO FRAUDULED TARP BANKS SENTENCED TO PRISON



**David McMaster**

15 Years and 8 Months in Prison  
5 Years Supervised Release  
Vice President of Lending  
Operations  
AMS  
(Victim: BNC National Bank)



**Robert Egan**

11 Years in Prison  
3 Years Supervised Release  
President  
Mount Vernon Money Center  
(Victim: U.S. Bank, Webster Bank,  
Bank of America, NY Community  
Bank Corp)



**Scott Powers**

8 Years in Prison  
5 Years Supervised Release  
CEO  
AMS  
(Victim: BNC National Bank)



**Edward Shannon Polen**

5 Years and 11 Months in Prison  
5 Years Supervised Release  
Owner  
Polen's Lawn Care  
(Victim: F&M Bank, U.S. Bank, Fifth  
Third Bank, Summer Bank & Trust,  
Bank of Nashville, First Bank)



**Chung Yu Yeung**

5 Years and 3 Months in Prison  
5 Years Supervised Release  
Vice President  
ETQ, Eastern Tools and Equipment  
(Victim: United Commercial Bank)



**Bernard McGarry**

5 Years in Prison  
3 Years Supervised Release  
COO  
Mount Vernon Money Center  
(Victim: U.S. Bank, Webster Bank,  
Bank of America, NY Community  
Bank Corp)



**Leigh Farrington Fiske**

4 Years and 9 Months in Prison  
5 Years Supervised Release  
(Victim: Wells Fargo Bank,  
U.S. Bank)



**Steven Pitchersky**

4 Years and 3 Months in Prison  
5 Years Supervised Release  
Owner/Operator  
Nationwide Mortgage Concepts  
(Victim: Ally Bank)



**Michael Edward Filmore**

4 Years in Prison  
5 Years Supervised Release  
Operator  
Healthcare Parnters Group, LLC  
(Victim: Pulaski Bank)



**Winston Shillingford**

4 Years in Prison  
5 Years Supervised Release  
Co-owner  
Waikale Properties Corp  
(Victim: Goldman Sachs, Wells  
Fargo, JP Morgan, Deutsche Bank)



**Selim Zherka**

3 Years and 1 Month in Prison  
5 Years Supervised Release  
Owner, Publisher  
Cheetah's Gentlemen's Club, V.I.P  
Club, The Westchester Guardian  
(Victim: Capital One, Signature  
Bank, Sovereign Bank)



**Cheri Fu**

3 Years in Prison  
5 Years Supervised Release  
President, owner  
Galleria USA  
(Victim: Bank of America, United  
Commercial Bank (UCBH), Cathay  
Bank, City National Bank, East  
National Bank, DBS Bank, United  
Overseas Bank)



**Marleen Shillingford**

3 Years in Prison  
5 Years Supervised Release  
Co-owner  
Waikale Properties Corp  
(Victim: Goldman Sachs, Wells  
Fargo, JP Morgan, Deutsche Bank)



**Clint Dukes**

2 Years in Prison  
5 Years Supervised Release  
Owner  
Dukes Auto Repair  
(Victim: First Community Bank,  
U.S. Bank)

## 36 DEFENDANTS WHO DEFRAUDED TARP BANKS SENTENCED TO PRISON (continued)



**Joseph D. Wheliss, Jr.**  
2 Years in Prison  
5 Years Supervised Release  
Owner  
National Embroidery Works, Inc.  
(Victim: Pinnacle National Bank)



**Margaret Connolly**  
2 Years in Prison  
3 Years Supervised Release  
Attorney  
(Victim: JP Morgan)



**Thomas Fu**  
1 Year and 9 Months in Prison  
5 Years Supervised Release  
CFO, Secretary, Treasurer  
Galleria USA  
(Victim: Bank of America, United Commercial Bank (UCBH), Cathay Bank, City National Bank, East National Bank, DBS Bank, United Overseas Bank)



**Steven Moorhouse**  
1 Year and 9 Months in Prison  
5 Years Supervised Release  
President  
Jefscro Manufacturing Co., Inc. (aka Fanplastic Molding Company)  
(Victim: Old Second National Bank)



**Joseph L. Capano**  
1 Year and 9 Months in Prison  
5 Years Supervised Release  
Managing Member  
Riverbend Community LLC  
(Victim: Cecil Bank)



**Robert Ilunga**  
1 Year and 6 Months in Prison  
5 Years Supervised Release  
Operator  
Waikale Properties Corp  
(Victim: Goldman Sachs, Wells Fargo, JP Morgan, Deutsche Bank)



**Mahendra Prasad**  
1 Year and 3 Months in Prison  
5 Year Supervised Release  
(Victim: JPMorgan Chase, Bank of America)



**Gregory Yates**  
1 year in Prison  
3 years Supervised Release  
CEO, President Quality Concepts LLC; Owner Champion Development, LLC; Owner QC Manufacturing, LLC  
(Victim: Country Bank of Aledo, IL)



**Harpreet Singh**  
6 Months in Prison  
5 Years Probation  
Real Estate Agent  
(Victim: Bank of America, Wells Fargo)



**John Cheng**  
6 Months in Prison  
4 Years Supervised Release  
Loan Broker, Owner SinoWest Financial Services, Inc.  
(Victim: BNB Financial Services Corp.)



**Shaima Hadayat**  
6 Months in Prison  
3 Years Probation  
Real Estate Broker  
(Victim: Wells Fargo, Bank of America)



**Ronald Onorato**  
6 Months in Prison  
2 Year Supervised Release  
CEO  
Northpoint Group, Inc.  
(Victim: Integra Bank)



**Raj Maruvada**  
6 Months in Prison  
1 Year Supervised Release  
CPA, Raj Maruvada & Associates P.C.  
(Victim: TARP Bank)



**Tariq Khan**  
1 Day in Prison  
1 Year Home Confinement  
5 Years Supervised Release  
Owner  
Urban Motors Corporation  
(Victim: Old Second National Bank)



**Terrance Yates**  
1 day in Prison  
1 Year Home Confinement  
3 years Supervised Release  
CFO Quality Concepts, LLC; CFO & VP of Operations Champion Development, LLC  
(Victim: Country Bank of Aledo, IL)



**Hyacinth Bellerose**  
Time Served  
1 Year Home Confinement  
1 Year Supervised Release  
Attorney  
(Victim: JPMorgan, Bank of America, First Horizon Corp.)



**Dahianara Moran**  
Time Served  
1 Year Home Confinement  
1 Year Supervised Release  
Former Director of Human Resources of The Psychological Center Inc.  
(Victim: JPMorgan, Bank of America, First Horizon Corp.)



**James Crews**  
Time Served  
5 Years Supervised Release  
(Victim: Excel Bank)



**Michael Hilbert**  
Time Served  
5 Years Supervised Release  
(Victim: Excel Bank)



**Pasquale Scarpa**  
Time Served  
5 Years Supervised Release  
(Victim: Capital One, Signature Bank, Sovereign Bank)



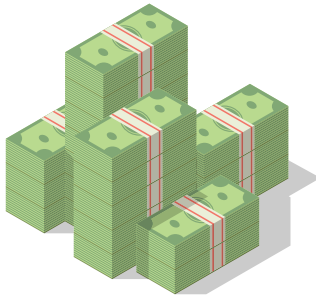
**Mark A Pagani**  
Time Served  
5 Year Supervised Release  
Attorney  
(Victim: Capital One, Signature Bank, Sovereign Bank)



**Genaro Morales**  
Time Served  
2 Years Supervised Release  
(Victim: Capital One, Signature Bank, Sovereign Bank)

**Results of SIGTARP's Securities Fraud Investigations:** SIGTARP also investigates crime related to mortgage-backed securities related to TARP. In the first case of a type of securities fraud by a Wall Street trader for increasing the firm's profit by defrauding clients, trader Jesse Litvak of Jefferies & Co was sentenced to 2 years in prison for this fraud that defrauded clients including portfolio managers of TARP funds. Mr. Litvak's defense was that this was a standard industry practice. Four additional traders have also been convicted resulting from a SIGTARP investigation and others have been indicted, two in fiscal year 2017.

## DEFENDANTS WHO SCAMMED TARP OR USED TARP TO SCAM INVESTORS SENTENCED TO PRISON



SCAMS USING TARP

14

SENTENCED TO PRISON

**Julius Blackwelder**  
3 years and 10 months

**John Farahi**  
10 years

**Gordon Grigg**  
10 years

**Xue Heu**  
5 years and 3 months

**Abraham Kirschenbaum**  
1 year and 6 months

**Carla Lee Miller**  
8 months

**Jesus Fernando Montes**  
1 year and 6 months

**Thomas Dickey Price**  
1 year and 6 months

**Michael Ramdat**  
1 year and 9 months

**Eduardo Garcia Sabag**  
3 months

**Marvin Solis**  
2 years and 3 months

**David Tamman**  
7 years

**Mark Steven Thompson**  
1 year and 6 months

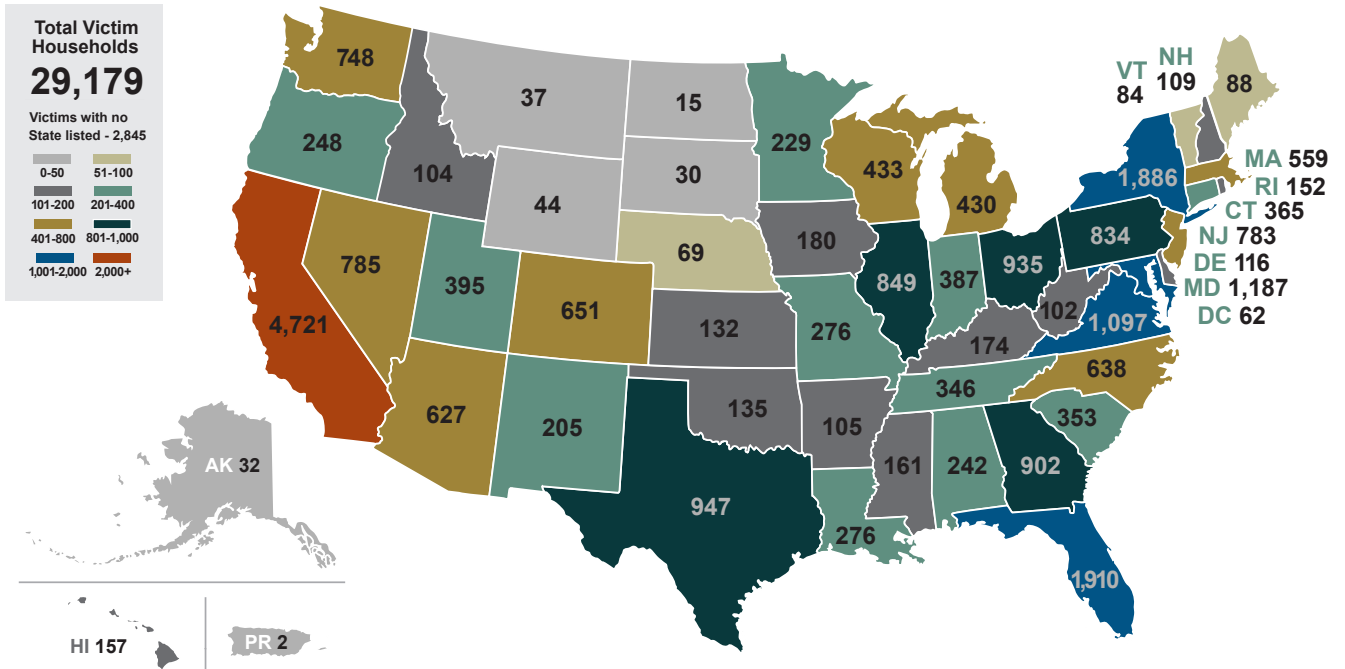
**Robert Wertheim**  
1 year and 6 months

**Results of SIGTARP's Mortgage Fraud Investigations:** SIGTARP is currently investigating banks and non-bank servicers in HAMP. With the expiration of the HAMP application period, we have ended investigations into con artists that stole from homeowners seeking admission into the program. One victim testified that after her servicer lost her application, she fell prey to a scam promising admission into the program. Her home and thousands of dollars were lost. Her story underscores the harm caused when mortgage servicers do not follow HAMP's rules, and why they must be held accountable to the rules and law. SIGTARP brought justice through 112 defendant convicted for these crimes with victims in every state.

# 85 DEFENDANTS WHO FRAUDULENTLY OBTAINED MORTGAGES SENTENCED TO PRISON

<b>Ped Abghari</b> 2 years and 6 months	<b>Ruby Theresa Encina</b> 1 year	<b>Jason Green</b> Time served, 5 years supervised release and 6 months home confinement	<b>Ray Kornfeld</b> 5 years	<b>Michael Lewis Parker</b> 6 years	<b>Hamid Reza Shalviri</b> 3 months
<b>Thomas J. Adams</b> 364 days (suspended)	<b>Nicholas Estilow</b> 6 years and 8 months	<b>Philip Haas</b> Time served, 3 years supervised release	<b>Harold E. Larson</b> 2 years and 6 months	<b>Iris Pelayo</b> 4 years	<b>Daniel Shiau</b> 4 years and 10 months
<b>Sammy Araya</b> 20 years	<b>Mark Farhood</b> 11 years	<b>Walter Bruce Harrell</b> 1 year and 6 months	<b>Michelle Lefaoese</b> 1 year	<b>Isaac Joshua Perez</b> 10 years and 10 months	<b>Howard Shmuckler</b> 13 years and 9 months
<b>Ziad Nabil Mohammed Al Saffar</b> 1 year and 9 months	<b>Dennis Fischer</b> 7 years	<b>Michael Henderson</b> 12 years	<b>John Linderman</b> 2 years	<b>Andrew M. Phalen</b> 1 year	<b>John D. Silva</b> 8 months
<b>Kristen Ayala</b> 11 years and 3 months	<b>Dionysius Fiumano</b> 16 years	<b>Jonathan L. Herbert</b> 11 years and 8 months	<b>Jonathan Lyons</b> 1 year	<b>Sabrina Rafo</b> 5 years	<b>Alan Tikal</b> 24 years
<b>Michael Bates</b> 1 year	<b>Gregory Flahive</b> 1 year	<b>Mindy Holt</b> 1 year and 6 months	<b>Lori Macakanja</b> 6 years	<b>Andrea Ramirez</b> 18 years	<b>Tamara Teresa Tikal</b> 3 years and 9 months
<b>Anthony Blackwell</b> 1 year	<b>Christopher George</b> 20 years	<b>Najja Jalan</b> 5 years and 10 months	<b>Aria Maleki</b> 9 years and 4 months	<b>Kevin Rasher</b> 8 years and 1 month	<b>Michael Trap</b> 2 years and 6 months
<b>Crystal Buck</b> 5 years	<b>Chad Gettel</b> 7 years	<b>Joshua David Johnson</b> 10 years and 1 month	<b>Jefferson Maniscan</b> 10 years	<b>James Reese</b> 364 days (suspended) 3 years probation	<b>Roscoe Ortega Umali</b> 18 years and 4 months
<b>Vernell Burris, Jr.</b> 1 year	<b>Serj Geutssoyan</b> 4 years and 4 months	<b>Roger Jones</b> 5 years and 9 months	<b>John McCall</b> 1 year	<b>Robyn Reese</b> 364 days (suspended) 3 years probation	<b>John Vescera</b> 1 year
<b>David Cassuto</b> Time served, 2 years supervised release	<b>Frederic Gladle</b> 5 years and 1 month	<b>Brian M. Kelly</b> 1 year	<b>Mehdi Moarefian</b> 4 years and 4 months	<b>Justin Romano</b> 2 years	<b>Glen Alan Ward</b> 11 years
<b>Jaime Cassuto</b> Time served, 2 years supervised release	<b>Christopher S. Godfrey</b> 7 years	<b>Darrell Keys</b> Time served, 3 years supervised release	<b>Christopher William Nelson</b> 10 years (suspended) 5 years probation	<b>Glenn Steven Rosofsky</b> 5 years and 3 months	<b>Pathaya Wattanachinda</b> 4 months
<b>Jacob J. Cunningham</b> 8 months	<b>Angel Gonzalez</b> Time served, 3 years supervised release	<b>Isaak Khafizov</b> 9 years	<b>Duy K. Nguyen</b> 1 year	<b>Joshua Sanchez</b> 12 years and 7 months	<b>Kovit Yuktanon</b> 1 year and 6 months
<b>Raymund Oquendo Dacanay</b> 5 years	<b>David Gotterup</b> 15 years	<b>Cuong Huy King</b> 1 year and 6 months	<b>Dominic A. Nolan</b> 6 months	<b>Jason Sant</b> 6 years	
<b>Catalina Deleon</b> 2 years and 6 months	<b>David Green</b> Time served, 3 years supervised release	<b>Justin D. Koelle</b> 9 months	<b>Lynn Nunes</b> 1 year	<b>Scott Schreiber</b> Time served, 3 years supervised release	
<b>Alberto DiRoberto</b> 5 years			<b>Yadira Padilla</b> 4 years	<b>Jen Seko</b> 7 years	

# VICTIMS OF MORTGAGE MODIFICATION SCHEMES BY STATE





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# SIGTARP AUDITS AND RECOMMENDATIONS

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# SIGTARP

## SIGTARP AUDITS IDENTIFY FRAUD, WASTE AND ABUSE, AND DETER FUTURE WRONGDOING

### RECENT FINDINGS



Nevada's Hardest Hit Fund wasted \$8.2 million while all but stopping admitting new homeowners



The average cost of demolitions in Michigan and Ohio have skyrocketed in the last few years



\$3 million in Hardest Hit Fund administrative expenses were squandered by state housing agencies



Georgia mismanaged the state's Hardest Hit Fund, failing to meet the urgent needs of Georgian homeowners and wasting \$16.8 million



Mortgage servicers have wrongfully terminated homeowners out of the Home Affordable Modification Program



Blight demolition program faces asbestos exposure, illegal dumping and contaminated soil risks

### OPEN AUDITS



Hardest Hit Fund travel and conference expenses



Blight demolition greening and maintenance activities



*“SIGTARP identifies wasteful spending to help the Government recover taxpayer funds. We identify abuse and vulnerabilities that put Federal dollars at risk and jeopardizes the mission of TARP programs.”*

*Special Inspector General Goldsmith Romero*

SIGTARP only conducts audits over TARP housing programs. Much of SIGTARP’s audit work is at the request of members of Congress. In Fiscal Year 2017, Treasury spent \$4 billion on TARP housing programs.<sup>11</sup> Treasury did not set up these contracts as grants or cooperative agreements, but Treasury treats them as if they were. Managers in the Federal Government face ongoing challenges in grants and cooperative agreements to provide flexibility to recipients, while fulfilling the Federal Government’s responsibility of ensuring that the Agency receives fair value for its money and that recipients spend federal taxpayer dollars appropriately to accomplish stated goals. This responsibility exists in all Federal agencies, and is not unique to TARP.<sup>1</sup> The fact that these contracts are not grants or cooperative agreements increases risk to taxpayers because the normal Federal standards and regulations do not apply to protect the Government or taxpayers.

SIGTARP seeks to assist Treasury in these efforts by auditing and evaluating individual contracts to determine whether the Government is receiving fair value for its money and that recipients are spending TARP funds appropriately to accomplish stated goals and free of fraud, waste, and abuse.

Unlike other OIGs, SIGTARP primarily conducts forensic audits that follow the money. SIGTARP auditors dig deep, analyzing general ledgers, credit card statements, invoices, and receipts. SIGTARP uncovered waste and misuse of TARP dollars in the Hardest Hit Fund. In a September 2016 audit, we found that a state agency contractor in Nevada wasted \$8.2 million on parties, employee gifts, country club lunches, paying for a lease for a CEO to drive a Mercedes-Benz, and more. In an August 2017 audit, we uncovered that several state agencies wasted or misused around \$3 million for large barbecues (including with Treasury employees), parties, seafood lunches, cash bonuses, gifts, avoidable storage costs, backdated costs, employee perks, and rent/operating expenses unrelated to TARP. SIGTARP also recently found in an October 2017 audit that the Georgia agency mismanaged the Hardest Hit Fund, wasting \$18.6 million and jeopardizing the goals of the program.<sup>12</sup> In each audit, SIGTARP makes recommendations to Treasury, (who is over all TARP programs) to recover wasteful spending and prevent future fraud, waste, and abuse.

<sup>1</sup> For example, see NASA Office of Inspector General Semiannual Report to Congress, March 2017, “NASA spent approximately 77 percent of its \$18 billion FY2015 budget on contracts to procure goods and services, and the Agency awarded an additional \$905 million in grants and cooperative agreements. Accordingly, NASA managers face the ongoing challenge of ensuring the Agency receives fair value for its money and that recipients spend NASA funds appropriately to accomplish stated goals.”

## **Completed Audit: December 2017 Risk of asbestos exposure, illegal dumping, and contaminated soil found in HHF's Blight Elimination Program**

On behalf of SIGTARP, the U.S. Army Corps of Engineers (the "Corps") conducted field inspections in July 2017 of multiple houses in Flint, Michigan that were in various stages of demolition under the Hardest Hit Fund. The Corps identified environmental and safety risks and failures to follow industry best practices that could put residents of Flint and other cities at risk of exposure to hazardous materials and other harm. The Corps identified three high-risk areas: 1) proper removal and storage of asbestos and other hazardous material; 2) proper dumping of all debris and waste in appropriate landfills or recycling facilities; and 3) filling in the demolition hole with only clean soil. These high-risk areas threaten the goal of neighborhood stabilization, and carry a high risk of fraud, waste, and abuse.

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"Treasury and state agencies are trusting and assuming that these demolitions and related activity are proceeding safely, appropriately, and in compliance with all applicable environmental and safety requirements, but the U.S. Army Corps of Engineers found that this was not the case in Flint, Michigan."

Special Inspector General Goldsmith Romero

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The Corps found:

- Asbestos removal appears to have been mismanaged by all involved with asbestos removal.
  - Improper classification and handling of asbestos-containing material such as drywall joint compound and window caulk.
  - No documentation that 72 square feet of drywall joint compound containing asbestos was removed and properly handled.
  - Unmarked containers on the street during asbestos abatement not sealed or marked with warning labels, which, if containing asbestos, would be required by federal regulation to prevent accidental exposure to the public.
  - No proof of inspection by the Land Bank to ensure contractors handling hazardous materials handled the materials in accordance with the contract and Federal and state regulations.
  - Missing hazardous material analyses and work plans, chain of custody manifests, and documentation of compliance with Federal air monitoring and disposal requirements, proof of inspection qualifications and signatures.
  - Failure to confirm that materials were disposed of only in appropriate landfills or recycling facilities. Missing were landfill receipts, waste manifests, and truck weight tickets.
- It is unclear whether the material placed in the hole left by the demolished property was clean and provided in accordance with the State and contract requirements.
  - The Michigan agency did not verify that the hole was filled with clean material.
  - Missing was documentation showing that the contractors used only backfill and topsoil that complied with contract requirements and regulations and was purchased and delivered from approved sources.
  - There were no truck tickets and receipts for fill material and topsoil deliveries.

- The Land Bank did not inspect the open hole to confirm all debris was removed from holes or to see that fill placed in the holes met contractual requirements, city permit requirements, and regulations, and instead only inspects after the holes are filled.
- There was no proof of soil testing.
- On properties demolished with significant quantities of hazardous materials, undue risks may have been taken in order to keep total project costs under the \$25,000 cap.
- All of the agreements and execution documentation were lacking in quality assurance.
  - Treasury's contract with the Michigan agency is lacking in technical requirements, and does not even require that the state agency perform technical oversight to assure waste materials are handled properly and holes are clear of debris and filled with only clean dirt.
  - The Michigan agency's contract with the Land Bank and the Michigan agency's Blight Manual do not adequately focus on the highest-risk areas of asbestos, waste management, and fill.
- The state, city, and land bank performed redundant inspections of winter grade and final grade, and no other physical inspections were documented.
  - It was impossible from documentation to judge the quality or completeness of the inspections or whether they are actually being performed.
  - It is unclear what level of technical review of documentation was performed by the Michigan agency, including (1) confirming that all material removed from the site was removed according to requirements of the U.S. Occupational Safety and Health Administration, the Michigan Occupational Safety and Health Administration, and the National Emissions Standard for Hazardous Air Pollutants, and was received at an appropriate waste and recycling facility; (2) confirming the open-hole was inspected; and (3) confirming that fill material brought on site came from an approved source.

## UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Treasury and state agencies should preclude from participation all contractors charged/fined for violations of environmental or safety requirements.*

*Treasury should require state agencies to install industry-standard, common sense safeguards that protect against risk of asbestos exposure, illegal dumping of debris, and contaminated material filling the demolition hole.*

*Treasury should require state agencies to conduct oversight over asbestos removal including not paying TARP dollars until after confirming that inspection documentation and other documents show appropriate removal of asbestos and other hazardous materials.*

*Treasury should require state agencies to determine approved sources of fill dirt, and not pay TARP dollars until after confirming that an inspection of the open hole showed that all debris was removed, and that the hole is only filled with clean material from an approved source.*

*Treasury should require state agencies to determine a list of approved waste facilities, and not pay TARP dollars until after confirming that all debris was disposed of at an appropriate waste or recycling facilities, as documented by landfill receipts, waste manifests, and truck weight tickets.*

## KEY UNIMPLEMENTED RECOMMENDATIONS FROM PRIOR SIGTARP AUDITS

### SIGTARP found nearly \$3 million in waste and unnecessary spending in the Hardest Hit Fund - August 2017

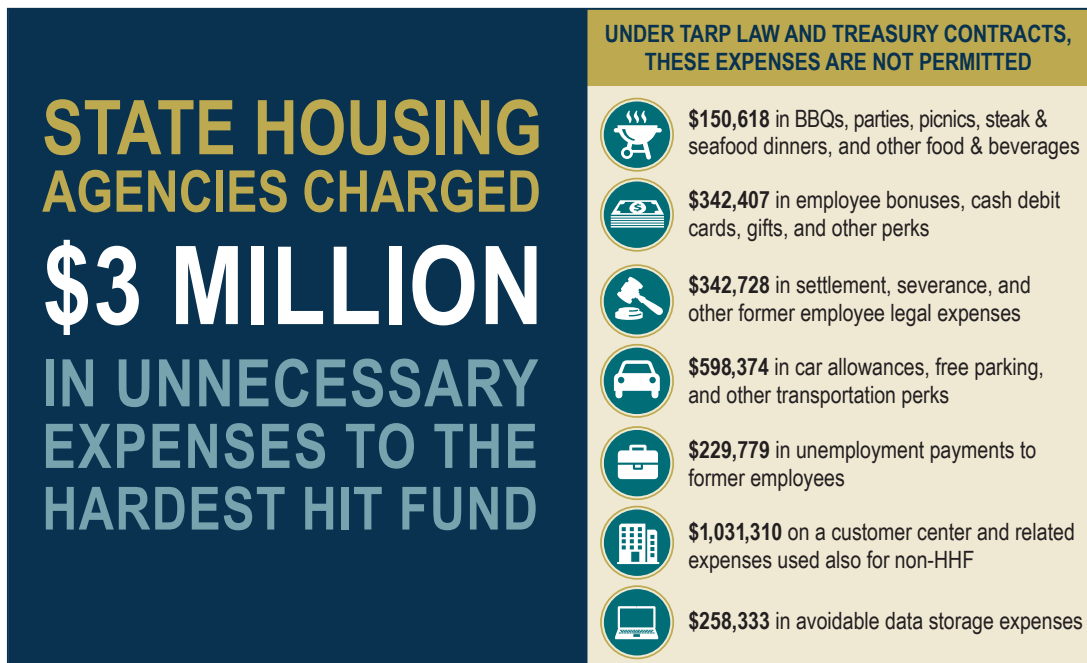
#### Completed Audit

Based on a request by Senator Chuck Grassley, SIGTARP audited state agency TARP spending for administrative expenses in the Hardest Hit Fund. We released an audit in August 2017, finding nearly \$3 million in squandered TARP dollars.



SIGTARP found that state housing agencies squandered nearly \$3 million in waste and unnecessary spending. Some of the unnecessary expenses SIGTARP identified are large: Rhode Island charged TARP hundreds of thousands for the full cost of construction of a customer center despite it being also used for non-HHF purposes—after previously billing TARP for the build-out of an office in 2010. TARP dollars were also squandered on VISA gift cards for employees, catered barbeques, parties, picnics, flowers, gym memberships, balloons—even a piñata. See Figure 3.1. All these unnecessary expenses violate TARP law and Treasury’s contracts. Every taxpayer dollar wasted is one less dollar for homeowners.

FIGURE 3.1 UNNECESSARY EXPENSES CHARGED TO HHF



State agency squandered TARP dollars on:

***North Carolina state agency: \$107,821***

\$2,830 spent on four catered barbecues and other food with Treasury employees, one served 90 people, another 60 people, and two more served 50 people; \$8,219 on parties, picnics, celebrations, and outings, including, for example, a Valentine's day party with décor and food, steak and seafood dinners, regular employee meals, and balloons, candles, cakes and cupcakes to celebrate the milestone of the number of homeowners helped; \$18,091 on employee cash bonuses; \$1,965 on VISA gift cards and other gifts including \$1,113 on customized Lands' End shirts and a \$50 CVS gift card to recognize new HHF Funding in 2016; \$8,880 on gym memberships, \$14,124 for employee breakfasts, lunches and dinner sometimes with external parties; and \$53,712 for food and other costs at events with housing counselors, including a 'celebration' of counselors that included \$400 in virgin cocktails, \$200 in mini cupcakes and a \$770 gratuity.

***Rhode Island state agency: \$1,238,228***

\$1,031,310 spent for the full cost -- despite the centers use for non-HHF programs -- to build out a new customer center with a new kitchen and furniture, backdated 'storage' costs in the agency's own building while HHF was closed; \$114,596 on a monthly \$105 payment to each employee to defray parking and transportation costs; \$14,994 on severance to former employees; \$75,703 on unemployment payments to former employees; and \$1,625 on food and beverages, including at meetings with lenders and trainings with counselors.

***Nevada Affordable Housing Assistance Corporation: \$240,677***

\$194,294 spent on private investigators, settlement payments for discrimination, and severance payments to former employees; \$43,497 spent on bonuses, of which nearly all went to the CEO who was later terminated; and \$2,886 on two employee picnics and other celebrations and food.

***Florida Housing state agency: \$107,864***

\$106,774 spent on bonuses approved by the now terminated executive director; \$636 on gift certificates to employees; and \$454 for a barbecue, an all employee lunch, and a lunch with Bank of America.

***District of Columbia's state agency: \$259,017***

\$258,333 spent to prepay for five years of avoidable online storage access and data two years after the HHF program was closed to homeowner applications; \$202 for a continental breakfast with Treasury employees; and \$482 on breakfast and snacks during a training.

***Illinois Housing state agency: \$114,408***

\$14 spent on Treasury employee breakfast. \$98,305 spent on employee cash awards; and \$16,089 supplies, parties, celebrations, food and beverages, (including for a contractor to deliver coffee and water), lunch at a pizza restaurant to "to celebrate getting new HHF funds and an employee's upcoming wedding," and an employee retirement party.

**Michigan state agency: \$337,349**

\$77 spent on refreshments and meals for Treasury employees; \$330,575 spent to provide free parking to employees; \$6,642 in parties, celebrations or other food and beverages, including cupcakes, ice cream sandwiches, balloons, and pizza; and \$55 on employee gifts from Bed, Bath & Beyond.

**Alabama state agency: \$705**

\$341 spent on meals and other food for Treasury employees, including a barbeque; \$198 in other food, including meals with Bank of America staff; and \$166 on Visa gift cards and fruit baskets.

**Kentucky state agency: \$49,150**

\$159 spent on catered lunches with Treasury employees; \$46,811 spent on severance payments for three employees; \$654 spent on gift certificates and cash bonuses, and \$1,526 spent on food and beverages, including a picnic with food trucks, an employee gelato outing.

**Ohio state agency: \$204,522**

\$127,932 spent on cars and a \$90-110 monthly payment to employees for transportation; \$63,432 on unemployment payments to former employees; and \$13,158 on events with housing counselors, including paid admission at one zoo and breakfast and lunch at three other zoos.

**South Carolina state agency: \$49,402**

\$20,627 spent on an executive's use of a car for more than three years; \$12,735 for food and beverages at annual meetings with legislative staff and at training events; and \$16,040 on employee bonuses.

**Oregon state agency: \$165,995**

\$430 on restaurant lunches with Treasury employees, including coffee, pastries and desserts, and twice for lunch for their staff to celebrate after Treasury's audit; \$84,256 spent to settle a former employee's wrongful termination litigation and the legal claims of two other terminated employees; \$79,742 spent on unemployment payments to former employees and \$1,567 on food and beverages, including lunch at Newport Seafood Grill with Bank of America staff.

**Tennessee state agency: \$5,985**

\$5,558 spent on unemployment benefits; and \$427 on food and beverages during a training.

**Georgia state agency: \$6,813**

\$6,813 spent on a contractor to deliver breakroom beverages, including water, coffee, tea and hot cocoa.

**Indiana state agency: \$46,658**

\$45,100 spent on employee bonuses; and \$1,558 on water for employees.

**Mississippi state agency: \$8,111**

\$369 spent on restaurant lunch for 30 people, including Treasury employees; \$5,343 spent on unemployment benefits; and \$2,399 on training lunches with counselors.

***California state agency: \$7,017***

\$4,644 spent on contractor parking; and \$2,373 to a contractor's laid-off employee to avoid the cost of litigation.

***Arizona state agency: \$2,244***

\$2,244 spent on an employee bonus.

***New Jersey state agency: \$1,585***

\$1,585 spent on food and beverages, including \$472 at Land & Sea Restaurant and \$1,113 at Italian Peoples Bakery.

## 30 UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Reflecting recoveries and cost savings of \$4,378,914*

*Treasury should recover squandered TARP dollars from state agencies.*

*Treasury should perform more rigorous oversight of the state agencies to prevent state agencies from charging HHF for costs that are not necessary to help homeowners or demolish blighted properties.*



## SIGTARP found \$8.2 million in waste and abuse in the Hardest Hit Fund in Nevada – September 2016

### 28 UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Reflecting cost savings and recoveries of \$62.2 million*

*Treasury should recover \$8.1 million in waste from Nevada contractor.*

*Treasury should remove contractor NAHAC that wasted TARP dollars from the Hardest Hit Fund program.*

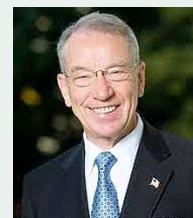
Treasury only recovered 1% of the waste SIGTARP identified -- \$82,000. After the report, Senator Chuck Grassley sent a letter to Treasury expressing concerns about Treasury's oversight to prevent waste. After receiving Treasury's response, Senator Grassley issued the following comment on Treasury's response:

"The Treasury Department tiptoes around its responsibility to ensure that \$9.6 billion in taxpayer funding is used effectively to help vulnerable homeowners stay in their homes. Treasury writes the checks and relies on states to spend the money. If states don't pay attention to whether the money is spent properly, abuse can and does occur, as we saw in Nevada. This is unacceptable for both homeowners who were supposed to be helped by this program and the taxpayers. SIGTARP and the Government Accountability Office are right to conduct oversight and fill the void left by the Treasury Department."

*Senator Chuck Grassley*

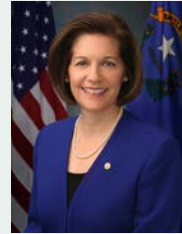
### Ongoing Audit

*Based on a request by Senator Chuck Grassley in October 2017, SIGTARP opened an audit to review travel, conference and other spending by state agencies in the Hardest Hit Fund.*



## Congressional Letter Supporting Recommendations

*Senator Catherine Cortez Masto of Nevada, wrote a letter to the Nevada Affordable Housing Assistance Corporation providing suggestions to improve the Hardest Hit Fund in Nevada and better serve Nevadans.*



## Ongoing Audit

*Based on concerns raised by Representative Dina Titus of Nevada, in October 2016, SIGTARP initiated a second audit into the Hardest Hit Fund in Nevada.*



## **SIGTARP Identified TARP Demolition Program at Significant Risk of Overcharging, Fraud, and Unfair Competitive Practices That Could Drive Up Costs – June 2016**

### 18 UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Reflecting Cost Savings of \$161 million*

*Treasury should require state agencies to implement standard federal contract requirements that ensure full & open competition for blight demolition.*

*State agencies should establish an independent determination of demolition costs that are necessary and reasonable for each city (using independent experts, third party fair market value quotes and current/historical costs).*

*State agencies should benchmark claims against the state agencies independent determination of which costs are necessary and reasonable.*



## CONGRESSIONAL LETTER SUPPORTING RECOMMENDATIONS

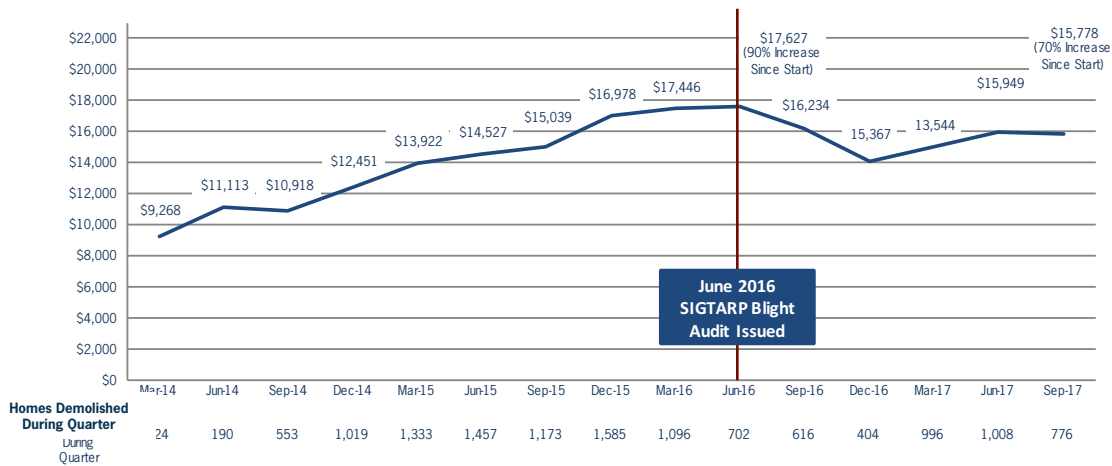
The Chairman and certain members of the House Committee on Oversight and Government Reform wrote the Treasury Secretary asking for a timeline to implement SIGTARP's recommendations in this audit.

### Implementing SIGTARP's recommendations are critical given that demolition costs continue to rise.

In April, 2017, SIGTARP found that all demolition-related costs paid for with TARP dollars rose significantly in Ohio and Michigan. Demolition costs rose 90% in Michigan, which accounts for nearly half of all TARP-funded demolitions. The costs decreased after SIGTARP's June 2016 audit, but then rose. The average per house demolition related cost paid for with TARP has rose 70%. See Figure 3.2.

Figure 3.2

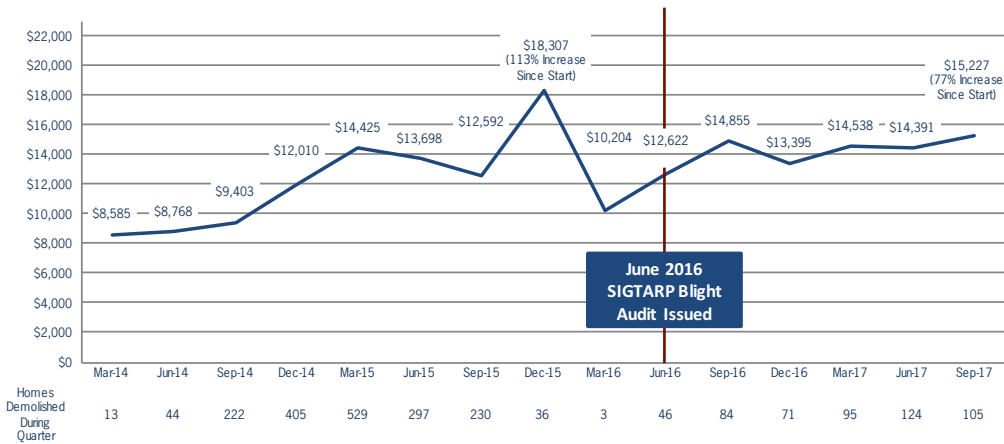
#### MICHIGAN AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Michigan Housing Finance Agency

In Flint, Michigan, the average per house demolition cost rose 77% since the start of the program in March, 2014. See Figure 3.3.

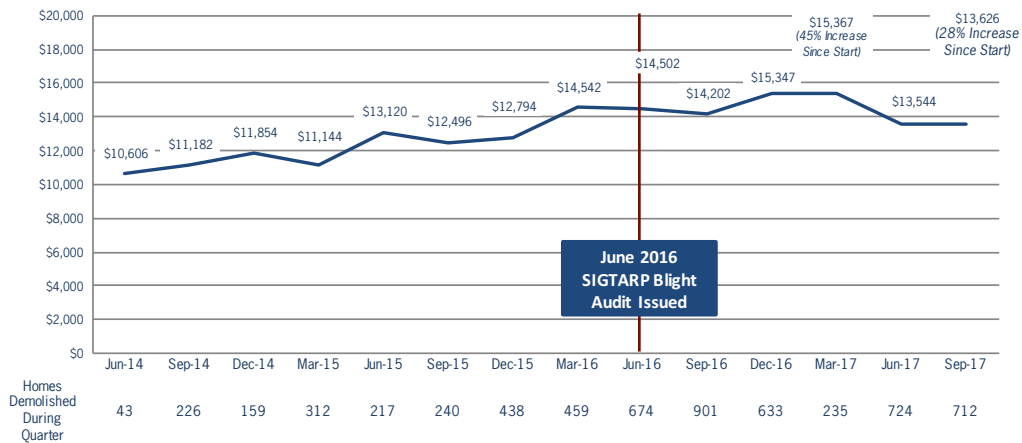
Figure 3.3  
FLINT, MICHIGAN AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Michigan Housing Finance Agency

In Ohio, the average per house demolition cost paid for with TARP rose 45% with only a slight recent decrease. See Figure 3.4.

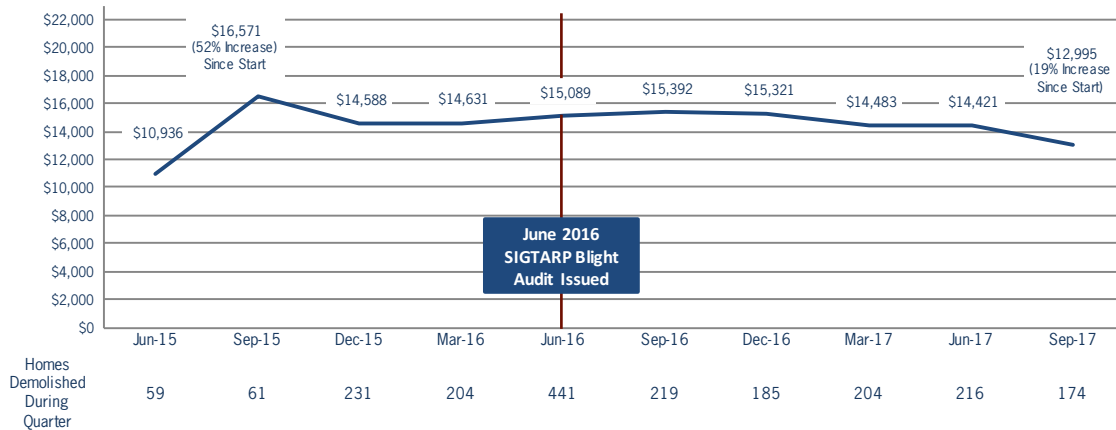
Figure 3.4  
OHIO AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Ohio Housing Finance Agency

High-rising costs are not inevitable as costs rose in Indiana, but only 19%.

Figure 3.5  
INDIANA AVERAGE HHF DEMOLITION-RELATED COSTS



Source: SIGTARP analysis of data from Indiana Housing Finance Agency

### SIGTARP Found Mismanagement by the Georgia Department of Community Affairs in the Hardest Hit Fund – October 2017

#### PRIORITY RECOMMENDATIONS

*Mismanagement Cost Taxpayers \$18.6 million*

*Georgia agency should remove impediments to Georgia homeowners receiving Hardest Hit Funds such as overly strict criteria and unnecessary red tape.*

*Georgia agency should fix a broken and confusing online application system.*

*Georgia agency should conduct outreach to assist homeowners in applying counties.*

As a result of SIGTARP’s audit, the Georgia agency made several changes to its HHF program, partially implementing SIGTARP’s recommendations.

## IMPLEMENTED PRIORITY RECOMMENDATIONS

*Reopened the Mortgage Reinstatement Assistance program.*

*Removed three overly strict criteria.*

*Increased homeowner outreach.*

### **SIGTARP Identified Servicer Wrongdoing in HAMP – Multiple Reports in 2015, 2016, 2017**

## UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Treasury should take action to curb people canceling out of HAMP.*

*Treasury should determine extent of servicer misconduct in homeowners canceled.*

*Treasury should ensure servicers properly transfer HAMP contract with transferred mortgage.*

*Treasury should suspend and/or claw back Federal dollars when servicers violate Treasury's contract.*

### **SIGTARP Identified Abuse: Indiana Hardest Hit Fund Used TARP Funds to Demolish Occupied Homes Rather Than Abandoned Houses - Dec. 2015**

## UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*Treasury should recover from the Indiana state agency the \$246,490 in TARP spent evicting people out of houses so houses could qualify for TARP funded demolition.*



## **SIGTARP Identified Inefficiencies and Poor Record Keeping in the Hardest Hit Fund - Jan. 2017**

### UNIMPLEMENTED PRIORITY RECOMMENDATIONS

*State agencies should eliminate unnecessary criteria that may preclude lower-income homeowners from HHF.*

*State agencies should maintain detailed records of why each person was denied for HHF.*

*State agencies should allow homeowners facing upcoming layoffs to be eligible for HHF before becoming past-due on their mortgage.*

### CONGRESSIONAL LETTER SUPPORTING RECOMMENDATIONS

*Representative Michael Turner of Ohio wrote a letter to the Treasury Secretary asking about implementation of SIGTARP's recommendations related to homeowners being denied for HHF.*





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# SIGTARP'S OVERSIGHT BY TARP PROGRAM

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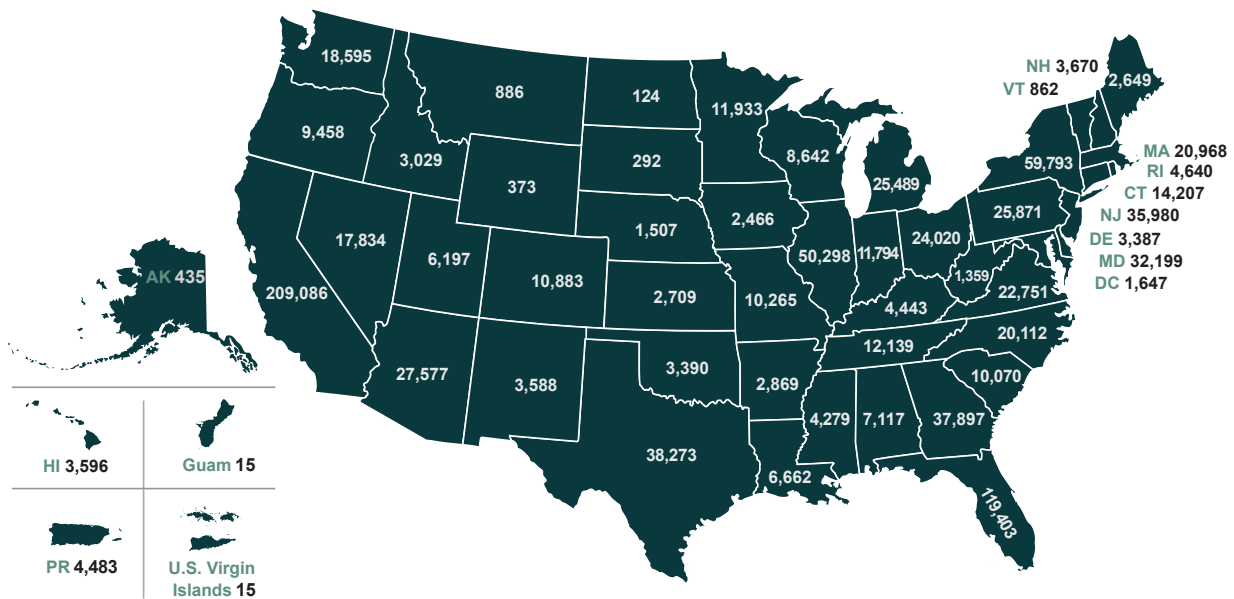


## SIGTARP’S OVERSIGHT OF THE MAKING HOME AFFORDABLE PROGRAM

The Making Home Affordable program (“MHA”) is not in wind down with TARP paying \$9.4 billion until September 2023. MHA pays 130 banks and other financial institutions to act in ways that mitigate foreclosures and the resulting losses.<sup>1</sup>

There have consistently been about one million homeowners in MHA in FY 2015, FY 2016, and FY 2017. TARP payments are not automated because they are not earned but require continuous reporting to Treasury and compliance with the law and Treasury rules. There are homeowners in MHA and its signature program, the Home Affordable Modification Program (“HAMP”), in every state.<sup>13</sup> Significant oversight is required because of the risk of waste, fraud, and abuse, due to the poor track record of these large banks and non-bank servicers. Some servicers have been the subject of law enforcement action, including investigations by SIGTARP. SIGTARP has also reported that some servicers have repeatedly broken Treasury’s rules in HAMP.

### 962,226 Homeowners Currently in HAMP



Source: Treasury HAMP data as of 12/31/2017.

### SIGTARP Investigations Related to HAMP

SIGTARP’s highest investigation priority is fraud by mortgage servicers being paid with TARP dollars. SIGTARP’s investigations related to HAMP have: (1) shut down scams, bringing justice to 112 convicted scammers stealing homeowners’ money on a false promise that they can get a homeowner into HAMP, and then do little or nothing; and (2) led to DOJ actions against financial institutions related to misconduct and false representations to Treasury and/or homeowners.

## Investigations of MHA Mortgage Servicers

SIGTARP's ongoing investigations of financial institutions participating in MHA is the top investigative priority. SIGTARP's investigations have already resulted in three DOJ actions against SunTrust Bank, JPMorgan Chase and Bank of America.



***Criminal conduct by SunTrust Bank:*** SIGTARP's investigation uncovered criminal conduct by SunTrust. SunTrust made misrepresentations to homeowners seeking help from HAMP. SunTrust failed to process HAMP applications timely, instead piling so many unopened FedEx packages of HAMP applications and homeowner documents in a room that the floor eventually buckled. SunTrust mass denied homeowners for HAMP, and then lied to Treasury about the reason why those homeowners were denied. The U.S. Attorney for the Western District of Virginia entered into a non-prosecution agreement of charges of mail fraud, wire fraud, and false statements to Treasury, with SunTrust Bank who paid \$225 million in restitution to victims and made significant corporate changes to prevent fraud.<sup>14</sup>

***Investigation into JPMorgan Chase's Misconduct in HAMP:*** DOJ brought an enforcement action against JPMorgan Chase for its failure to engage in adequate loss mitigation efforts (HAMP) for past due homeowners. Of this \$6,187,500 was attributed to SIGTARP's investigation.

***Investigation into Bank of America's Misconduct in HAMP:*** DOJ brought an enforcement action against Bank of America for defrauding HAMP. Of this amount, \$6.5 million was attributed to SIGTARP's investigation.

## SIGTARP Oversight Over MHA

In addition to identifying servicer mismanagement and abuse to homeowners applying to HAMP, SIGTARP has identified the following servicer mismanagement and abuse by servicers of homeowners already in HAMP:

- Wrongfully terminating people out of HAMP even though homeowners made timely payments
- Lost paperwork
- Misapplying mortgage payments made in HAMP which causes delinquency that incur late fees
- Transferring the mortgage without transferring the HAMP paperwork. The new servicer does not know the person is in HAMP so only sees underpayment, or fails to honor the HAMP lowered interest rate
- Failing to notify homeowners, as Treasury requires, when their interest rate and monthly payment is going to rise after 5 years
- Failing to notify homeowners, as Treasury requires, that after 6 years in HAMP they can lower their mortgage payment by re-amortizing the mortgage
- Overcharging Treasury for extinguishing second liens when those liens were not extinguished
- Failing to reduce principal on mortgages despite being paid by Treasury to do so
- Charging Treasury for mortgages that are not eligible for HAMP

## Servicer Track Records Evidence High Risk Areas



Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid Ocwen \$4.7 billion in TARP and will pay up to an additional \$2.4 billion. Ocwen is the largest MHA institution, but has one of the worst track records in foreclosure mitigation. During the last two years, Treasury has found that Ocwen wrongfully denied homeowners help from HAMP and wrongfully canceled homeowners out of HAMP. Ocwen had an enforcement action in December 2013 for significant and systemic “deception and shortcuts in mortgage servicing”, which included improperly denying homeowners a mortgage modification and failing to properly apply a homeowner’s payment. Ocwen had another major enforcement action in April of 2017 for “Failing Borrowers Throughout the Mortgage Servicing Process” which included (among other issues): servicing loans using error riddled information; illegally foreclosing on homeowners; failing to credit borrower payments; mishandling escrow information and payments; and mishandling servicing transfers – all of which can have dire implications for homeowners in HAMP whose modifications are handled by Ocwen.<sup>15,16</sup>

- **Wrongfully canceling homeowners out of HAMP:** Treasury continued to find in recent years that Ocwen has wrongfully canceled homeowners out of HAMP. More than 150,479 homeowners who were in HAMP with Ocwen have fallen out of the program. Treasury paid Ocwen in excess of \$999 million in TARP dollars for these cancelled homeowners. More than 33,759 of these homeowners went into foreclosure or otherwise lost their home.

Ocwen’s wrongful cancellation of people out of HAMP is similar to the conduct in Ocwen’s enforcement action. Ocwen cancelled homeowners out of HAMP on the basis that they had missed three payments, when in reality homeowners made the payments. Ocwen held mortgage payments in suspense, improperly reversed and later reapplied mortgage payments, and did not timely post payments made to an Ocwen lockbox.

Treasury does not know how many homeowners Ocwen has wrongfully canceled out of HAMP. Treasury’s findings on a sample basis should be viewed in light of the December 2013 enforcement action that found, in part that Ocwen failed “to timely and accurately apply payments made by borrowers and failing to maintain accurate account statements.”



**SIGTARP Recommends:** In order to determine the full extent of mismanagement, Treasury should require Ocwen to conduct an independent review (paid for by Ocwen) and report on all people wrongfully canceled out of MHA, while also requiring additional controls to ensure that Ocwen timely and accurately posts homeowner payments.

- ***Wrongfully denying homeowners admission in HAMP:*** Ocwen denied 68% of homeowners who applied for HAMP. In recent years, Treasury found that Ocwen denied homeowners for HAMP that could have been admitted and/or failed to offer homeowners a HAMP modification. The enforcement action found that Ocwen “improperly denied mortgage modifications.” This included: Failing to provide accurate information about mortgage modifications and other loss mitigation services; Failing to properly process borrowers’ applications and calculate their eligibility for mortgage modifications; Providing false or misleading reasons for denying mortgage modifications; Failing to honor previously agreed upon trial modifications with prior servicers; and Deceptively seeking to collect payments under the mortgage’s original unmodified terms after the consumer had already begun a mortgage modification with the prior servicer.
- ***Risk of Waste — Overcharging Treasury:*** Recently, Treasury found Ocwen made misrepresentations to and overcharged Treasury for payments to investors. Treasury has found several errors in Ocwen’s reporting to Treasury. SIGTARP estimates that such issues could have resulted in as much as \$25 million in overpayments over the life of the program, if the issues were not properly remediated.
- ***Failure to notify homeowners in their 6th year of HAMP that they can lower their monthly payment:*** Ocwen has failed to provide timely and accurate notices to homeowners who had successfully made their mortgage payments in HAMP for six years that the homeowners could lower their mortgage payment by re-amortizing (recasting) their unpaid principal balance. As a result, homeowners who have successfully performed their obligation in HAMP paid a higher payment than was necessary. Recently, 30% of the loans reviewed by Treasury at Ocwen had erroneous information that could affect the homeowner’s decision to recast their loan.

With Treasury obligated to pay up to \$2.4 billion to Ocwen, continued oversight remains critical. However, this quarter, Treasury did not conduct a compliance review of Ocwen.



Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid Wells Fargo \$3 billion in TARP and will pay up to an additional \$1.4 billion. Wells Fargo is the second largest MHA institution. In 2015, the Justice Department brought an enforcement action against Wells Fargo for unlawful foreclosures on members of the armed services. Wells Fargo has broken HAMP's rules by canceling people out of HAMP who made their payments on time, and by failing to notify homeowners in HAMP, as Treasury requires, on a timely basis that their mortgage payment was going to increase.<sup>15,17</sup>

- ***Wrongfully canceling homeowners out of HAMP:*** Treasury found that Wells Fargo wrongfully canceled people out of HAMP by not properly applying homeowners' payments. Treasury does not know how many total homeowners Wells Fargo wrongfully canceled out of the program. More than 82,630 homeowners in HAMP with Wells Fargo have canceled out of HAMP costing taxpayers \$327 million. 23,148 of those homeowners went into foreclosure or otherwise lost their home. In 2015, the Justice Department brought an enforcement action against Wells Fargo for unlawful foreclosures on members of the armed services.

**SIGTARP Recommends:** In order to determine the full extent of mismanagement, Treasury should require Wells Fargo to conduct an independent review (paid for by Wells Fargo) and report on other people wrongfully canceled out of HAMP, to ensure that Wells Fargo timely and accurately posts homeowner payments.

- ***Failure to consider homeowners for other programs:*** Treasury found that Wells Fargo failed to follow MHA rules to help homeowners falling out of HAMP avoid foreclosure by considering them for other MHA programs.
- ***Failing to notify homeowners timely that their mortgage was increasing:*** Wells Fargo failed to notify homeowners of upcoming increases to their mortgage payments in accordance with MHA rules. Treasury requires that the servicer give a 120 day notice and a 60 day notice before the payment increase giving homeowners an opportunity to find means to pay their mortgage.
- ***Failure to notify homeowners in their sixth year of HAMP that they can lower their mortgage payment:*** Wells Fargo failed to notify on a timely basis homeowners that had successfully made their HAMP mortgage payment for six years that the homeowner could lower their mortgage payment by re-amortizing (recasting)

their unpaid principal balance. As a result, homeowner's who had successfully performed their obligations in HAMP may have paid a higher payment than was necessary. Given that Treasury does not know how many other homeowners did not receive timely notice given Treasury's small sample size of 25, Treasury could start with requiring Wells Fargo to self-report these violations.

With Treasury obligated to pay up to \$1.4 billion to Wells Fargo, continued oversight remains critical, However, Treasury did not conduct a compliance review of Wells Fargo this quarter.



Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid JPMorgan Chase \$2.9 billion in TARP and will pay up to an additional \$1 billion. JPMorgan Chase denied nearly 1 million people for HAMP—84% of all who applied. In 2015, the Justice Department brought an enforcement action against JPMorgan Chase for unlawful foreclosures on members of the armed services.<sup>15,17</sup>

However, Treasury has recently found on several occasions that JPMorgan Chase failed to notify homeowners that successfully made their mortgage payments in HAMP for six years that they were eligible to re-amortize their mortgage and lower their payment, or made errors when it sent notices. As a result, homeowners who properly paid in HAMP may have paid a higher payment than was necessary.<sup>15</sup>

## Bank of America<sup>®</sup>



Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid Bank of America \$2.1 billion in TARP and will pay up to an additional \$748 million. In 2016, Treasury found that Bank of America needed substantial improvement in complying with HAMP's rules, repeatedly, in recent years. Bank of America has one of the worst track records in HAMP. SIGTARP's investigation of Bank of America defrauding HAMP led to a 2012 Department of Justice enforcement action against Bank of America. In 2015, the Justice Department brought an enforcement action against Bank of America for unlawful foreclosures on members of the armed services.<sup>15,17,18,19</sup>

- **Risk of Waste — Overcharging Treasury:** In 2016, Treasury found that Bank of America overcharged Treasury by hundreds of thousands of dollars. Bank of America reported incorrect information about the delinquency status of several second liens that were extinguished, resulting in more than \$400,000 in wasted tax dollars, including almost \$150,000 on a single loan. Treasury requested that Bank of America perform a lookback analysis to determine whether there were other instances of misreporting.
- **Risk of waste—Failing to reduce principal despite being paid by Treasury to do so:** In the MHA principal reduction program, Treasury pays servicers typically several thousand tax dollars per mortgage to reduce the outstanding balance of underwater mortgages. Bank of America failed to reduce the principal despite being paid by Treasury about \$4,500 on average to do so. Bank of America did not reduce these homeowners' underwater balances until Treasury later inquired about the status of these homeowners.
- **Wrongfully denying homeowners admission into HAMP:** Bank of America denied 80% of all who applied for HAMP. Bank of America has repeatedly wrongfully denied homeowners for HAMP.
- **Miscalculation of income:** Bank of America repeatedly miscalculated homeowner income. Miscalculation can lead to Bank of America denying a qualified homeowner for HAMP or setting a higher mortgage payment for people than is sustainable.
- **Mishandling of HAMP's 6th year payment reduction:** Treasury has found on a sample basis that Bank of America has mishandled homeowners' sixth year payments and recast. The result of this mismanagement is cheating homeowners out of thousands of dollars. Treasury does not know the full extent of this problem as it looked on a sample basis.

**SIGTARP Recommends:** Treasury should require Bank of America to conduct an in-depth investigation and self-report on all mishandling of homeowners' payments in the sixth year of HAMP and any recast at that time.



Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid Nationstar \$1.3 billion in TARP and will pay up to an additional \$943 million. Nationstar has one of the worst track record in HAMP. Nationstar's violations of Treasury rules have been widespread spanning multiple quarters. Nationstar has shown little improvement and, even appears to be getting worse. In 2016, Treasury found that Nationstar needed substantial improvement in complying with MHA's rules.<sup>15,18</sup>

- **Wrongful denying or failing to offer homeowners HAMP admission:** Nationstar has repeatedly wrongfully denied or failed to offer homeowners admission into HAMP.
- **Wrongful cancellation of homeowners out of HAMP:** Nationstar has wrongfully canceled homeowners out of HAMP. More than 68,568 homeowners who were in HAMP with Nationstar have fallen out of HAMP. Nationstar was paid \$227 million in TARP dollars for these canceled homeowners. More than 27,512 of these homeowners went into foreclosure or otherwise lost their home.<sup>12</sup> Treasury does not know how many homeowners Nationstar has wrongfully terminated out of HAMP given their small sample size.

**SIGTARP Recommends:** In order to determine the full extent of mismanagement, Treasury should require Nationstar to conduct an independent review (paid for by Nationstar) and report on all people wrongfully canceled out of HAMP, while also requiring additional controls to ensure that Nationstar timely and accurately posts homeowner payments.

- **Misreporting of homeowner payments:** Nationstar has repeatedly misreported homeowner payment information to Treasury that resulted in homeowner harm of lost TARP payments or wasted tax dollars. In some cases, Nationstar reported homeowners as delinquent when they had not missed payments, resulting in homeowners being shortchanged or Treasury being overcharged.
- **Risk of Waste — Overcharging Treasury:** Treasury has repeatedly found that Nationstar overcharged Treasury. Nationstar modified ineligible mortgages and reported that homeowners were eligible for TARP funded relocation assistance when they were not eligible, overcharging Treasury.

- ***Failure to notify homeowners on timely basis about increase in mortgage payment:*** Nationstar has repeatedly failed to notify homeowners in HAMP on a timely basis, as Treasury requires, that their interest rate was rising and therefore their mortgage payment was also rising.
- ***Failure to notify homeowners in their 6th year of HAMP that they can lower their monthly payment:*** Nationstar has not followed Treasury rules to provide timely notification to homeowners of their ability to re-amortize their mortgage, and lower their payment.
- ***Miscalculation of income:*** Nationstar has repeatedly miscalculated homeowner income. Miscalculation can lead to Nationstar denying a qualified homeowner for HAMP or setting a higher mortgage payment than is sustainable.
- ***Failure to offer second lien modifications to borrowers in HAMP:*** Nationstar has failed to offer homeowners in HAMP second lien modifications (as required).
- ***Failure to reduce principal balances on HAMP modifications that Treasury paid the servicer to reduce:*** Nationstar recently failed to reduce homeowner principal balances despite being reimbursed with tax dollars to do so through HAMP.

The logo for SPS SELECT Portfolio SERVICING, inc. features the letters 'SPS' in a large, bold, serif font. To the right of 'SPS', the words 'SELECT', 'Portfolio', and 'SERVICING, inc.' are stacked vertically in a smaller, sans-serif font. A vertical line separates 'SPS' from the rest of the text.

Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid SPS \$1.3 billion in TARP and will pay up to an additional \$921 million. SPS is the only servicer out of the largest 7 servicers in HAMP that Treasury has not found to have wrongfully terminated homeowners out of HAMP. It also is the only one of the 7 servicers who denied admission to less than half of all homeowners that applied to HAMP. Previously, Treasury has found that some instances where SPS misreported information that impacts the TARP funds that investors receive for current homeowners. Fixing that could represent a cost savings. However, that would require Treasury to determine the full extent of misreporting and TARP dollars.<sup>15</sup>





Source: SIGTARP analysis of Treasury HAMP data.

Treasury has paid CitiMortgage \$708 million in TARP and will pay up to an additional \$236 million. CitiMortgage has had a track record of not following the Federal rules governing HAMP. In 2015, the Justice Department brought an enforcement action against CitiMortgage for unlawful foreclosures on members of the armed services.<sup>15,17</sup>

- **Risk of Waste — Late reporting homeowners who fell out of HAMP/overcharging TARP:** CitiMortgage has wrongfully terminated homeowners out of HAMP. However, Treasury is not aware of the full extent of the problem, given its small sample size. Treasury found that in some instances CitiMortgage delayed reporting the termination to Treasury, delaying sometimes more than 100 days, in one case delaying reporting to Treasury for more than 2 years and in another case more than 5 years. During this time, CitiMortgage would have received “pay for success” TARP payments, including \$1,000 each year to put towards principal, servicer payments (if the HAMP modification was in its first three years), and investor payments. These payments represent waste. Treasury also found other instances where CitiMortgage received TARP funds based on inaccurate reporting.
- **Misapplication of investor payments:** CitiMortgage repeatedly misapplied payments causing homeowners to be reported as delinquent when they were not.
- **Denied 89% of homeowners seeking help in HAMP:** CitiMortgage has the highest rate of denying homeowners for admission to HAMP – 89%, which are 340,871 homeowners, of which 60,835 lost their home to foreclosure or distressed sale.
- **Failure to notify homeowners in their sixth year of HAMP that they can lower their mortgage payment:** CitiMortgage failed to notify on a timely basis homeowners that had successfully made their HAMP mortgage payment for six years that the homeowner could lower their mortgage payment by re-amortizing (recasting) their unpaid principal balance. As a result, homeowners who had successfully performed their obligations in HAMP may have paid a higher payment than was necessary.

**SIGTARP Recommends:** Treasury should require CitiMortgage to conduct an in-depth investigation and self-report on all mishandling of homeowners’ payments in the sixth year of HAMP and any recast at that time.



Source: SIGTARP analysis of Treasury HAMP data.

CIT Bank acquired OneWest Bank in August 2015, and with it OneWest's HAMP modifications. Although CIT / OneWest has been paid \$426 million in TARP dollars, it currently has only 3,631 mortgages in HAMP, down from more than 35,000 in 2013, due to it transferring the loans to other servicers. Since 2015 CIT / OneWest have only been subject to limited Treasury compliance exams, during which Treasury has found no significant problems.<sup>15</sup> However, in January, 2018, CIT Group was fined \$5.2 million by the Federal Reserve for mortgage servicing and foreclosure infractions.<sup>24</sup>

## SIGTARP'S OVERSIGHT OVER THE HARDEST HIT FUND

The Hardest Hit Fund (“HHF”) was scheduled to close in December 2017. Then Congress appropriated an additional \$2 billion in the 2016 budget. Treasury then extended the program 4 years until December 2021.<sup>23</sup> SIGTARP conducts oversight through audits and investigations of the HHF, a \$9.6 billion program that is now in a ramp-up stage.<sup>5,7</sup>

### **SIGTARP Investigations Related to HHF**

SIGTARP is actively conducting criminal investigations related to the Hardest Hit Fund. In fiscal year 2017, two homeowners who received HHF dollars were indicted for false statements. One allegedly falsified his HHF application saying he was single when his wife worked at the state agency in charge of HHF. Another allegedly under reported cash savings to qualify for HHF.

SIGTARP prioritizes investigations in the more than \$800 million TARP-Funded demolition program. Right now, we are applying our intelligence driven law enforcement approach to find crime proactively in the more than \$800 million blight demolition program.<sup>5</sup>

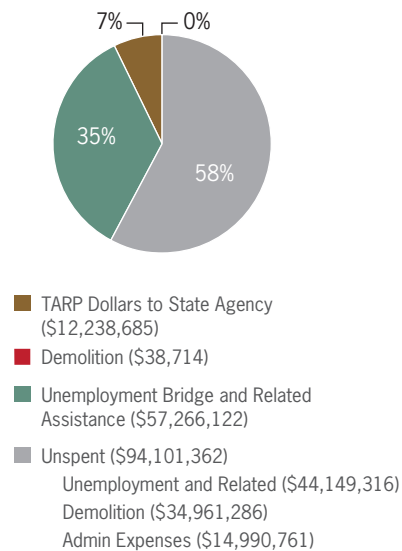
### **SIGTARP Audit Oversight of HHF**

The majority of SIGTARP's audit work is in response to concerns raised by members of Congress after SIGTARP identified waste, abuse or risks of fraud, and to identify cost saving recommendations.

## HHF in Alabama

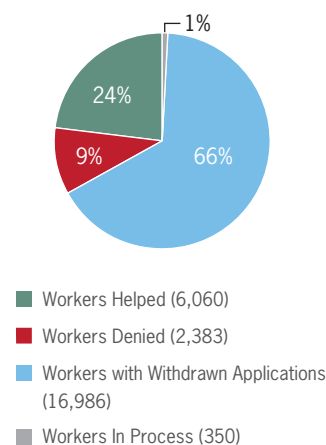
- In 6 years, HHF has helped only 6,060 Alabama homeowners (24% of all who applied) - one of the lowest in HHF.
- Only 1,003 new Alabama homeowners were admitted last year.
- The Alabama agency spent \$12.2 million on its own salaries (18% of spending), which is very high.
- SIGTARP's audit found that the Alabama agency spent \$705 in HHF funds on unnecessary expenses, including: \$539 spent on a barbecue and other food for Treasury employees and \$166 on Visa gift cards and fruit baskets for employees.<sup>20</sup>

FIGURE 4.2  
HARDEST HIT FUND – USE  
OF FUNDS IN ALABAMA,  
AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.3  
STATUS OF ALABAMA  
HOMEOWNERS THAT APPLIED  
TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Alabama

- 7,117 Alabama homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Alabama: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, MidFirst Bank, Bank of America N.A., Ditech Financial LLC, Specialized Loan Servicing LLC, and Seterus Incorporated.
- 45% of all Alabamians (6,973) have been canceled out of the program.

## TARP-Funded Demolition

After more than two years, the Alabama state agency has only demolished 3 houses using \$38,714, out of \$35 million.

### TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN ALABAMA

City / County	Partner*	Demo Contractor	Disbursements	Demolished, Cumulative
AL Statewide	Alabama Association of Habitat for Humanity			
Autauga County	Habitat for Humanity of Autauga & Chilton Counties			
Birmingham	Birmingham Land Bank			
Birmingham	Greater Birmingham Habitat for Humanity	Ingle Demolition & Salvage	\$38,714	3
Chilton County	Habitat for Humanity of Autauga & Chilton Counties			
Hale County	Habitat for Humanity of Hale Co., Inc			
<b>Grand Total</b>			<b>\$38,714</b>	<b>3</b>

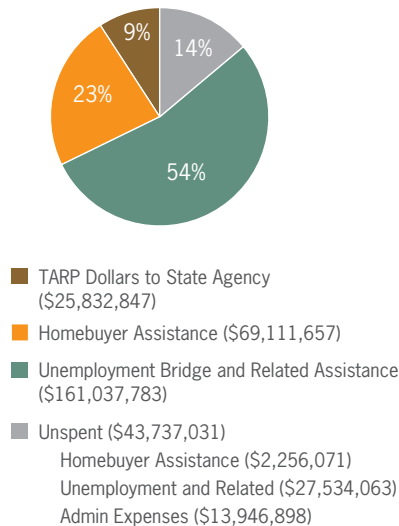
Source: Alabama Housing Finance Authority.

Note: Due to reporting date differences, figures may vary from Treasury's published reports.

## HHF in Arizona

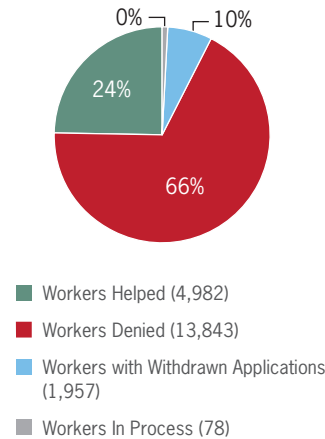
- HHF has helped 4,982 Arizona homeowners, (only 24% of all who applied received help -- one of the lowest of any HHF state).
- The Arizona agency spent \$26 million on its own salaries and expenses. SIGTARP's audit found that the Arizona agency spent \$2,244 in HHF funds on an employee bonus.<sup>20</sup>

FIGURE 4.4  
HARDEST HIT FUND – USE OF FUNDS IN ARIZONA, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.5  
STATUS OF ARIZONA HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

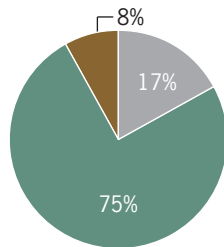
## MHA in Arizona

- 27,577 Arizona homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Arizona: Ocwen Loan Servicing LLC, Nationstar Mortgage LLC, Wells Fargo Bank N.A., JPMorgan Chase Bank NA, Select Portfolio Servicing Inc., Bank of America N.A., Seterus Incorporated, Ditech Financial LLC, Specialized Loan Servicing LLC, and U.S. Bank National Association.
- 39% of all Arizonians (23,361) have been canceled out of the program.

## HHF in California

- HHF has helped 71,978 California homeowners, including 8,321 in the last year who received unemployment assistance.
- The California agency spent \$185 million on its own salaries and expenses. SIGTARP's audit found that the California agency spent \$7,017 in HHF funds on unnecessary expenses, including: \$4,644 spent on contractor parking, \$2,373 to a contractor's laid-off employee to avoid the cost of litigation.<sup>20</sup>

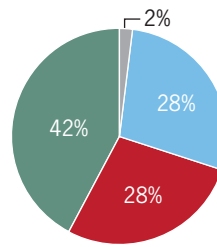
FIGURE 4.6  
HARDEST HIT FUND – USE OF FUNDS IN CALIFORNIA, AS OF 9/30/2017



- TARP Dollars to State Agency (\$184,821,248)
- Unemployment Bridge and Related Assistance (\$1,834,879,405)
- Unspent (\$411,372,878)  
Unemployment and Related Admin Expenses (\$56,997,362)

Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.7  
STATUS OF CALIFORNIA HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



- Workers Helped (71,978)
- Workers Denied (48,043)
- Workers with Withdrawn Applications (47,964)
- Workers In Process (3,541)

Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

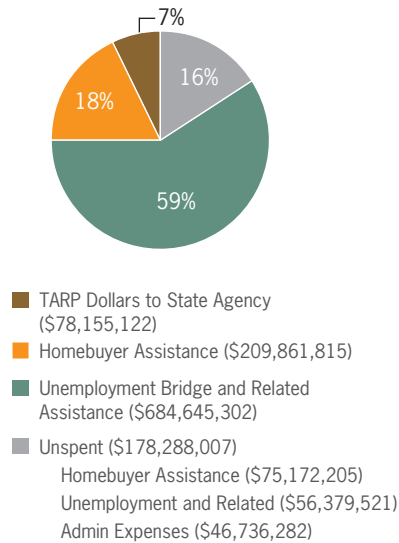
## MHA in California

- 209,086 California homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in California: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, JPMorgan Chase Bank NA, Select Portfolio Servicing Inc., Bank of America N.A., Ditech Financial LLC, Seterus Incorporated, Specialized Loan Servicing LLC, and CitiMortgage Inc.
- 29% of all Californians (111,472) have been canceled out of the program.

## HHF in Florida

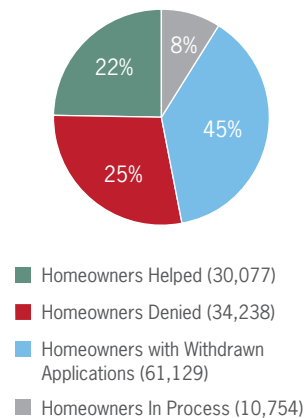
- The Florida agency will stop accepting applications for its HHF programs on January 30, 2018.
- Only 22% of homeowners seeking help from the Florida state agency received HHF (30,077 of 136,198), while 98% (14,035 of 14,286) of homebuyers received help.
- As of September 30, 2017, Florida's HHF program has a 12 month backlog of 10,754 homeowner applications, which could result in a lengthy delay for a homeowner to receive HHF funds.
- The Florida state agency spent \$78 million on its own salaries and expenses. A SIGTARP audit found that the Florida agency spent \$107,864 in HHF funds on unnecessary expenses, including: \$106,774 spent on bonuses approved by the now terminated executive director, \$636 on gift certificates to employees, \$454 for a TARP barbeque, an all employee lunch and a lunch with Bank of America.
- In October, 2015, SIGTARP issued an audit report making findings about severe underperformance in HHF by the state agency.
- There is \$178 million in unspent HHF funds.<sup>20</sup>

FIGURE 4.8  
HARDEST HIT FUND – USE  
OF FUNDS IN FLORIDA,  
AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

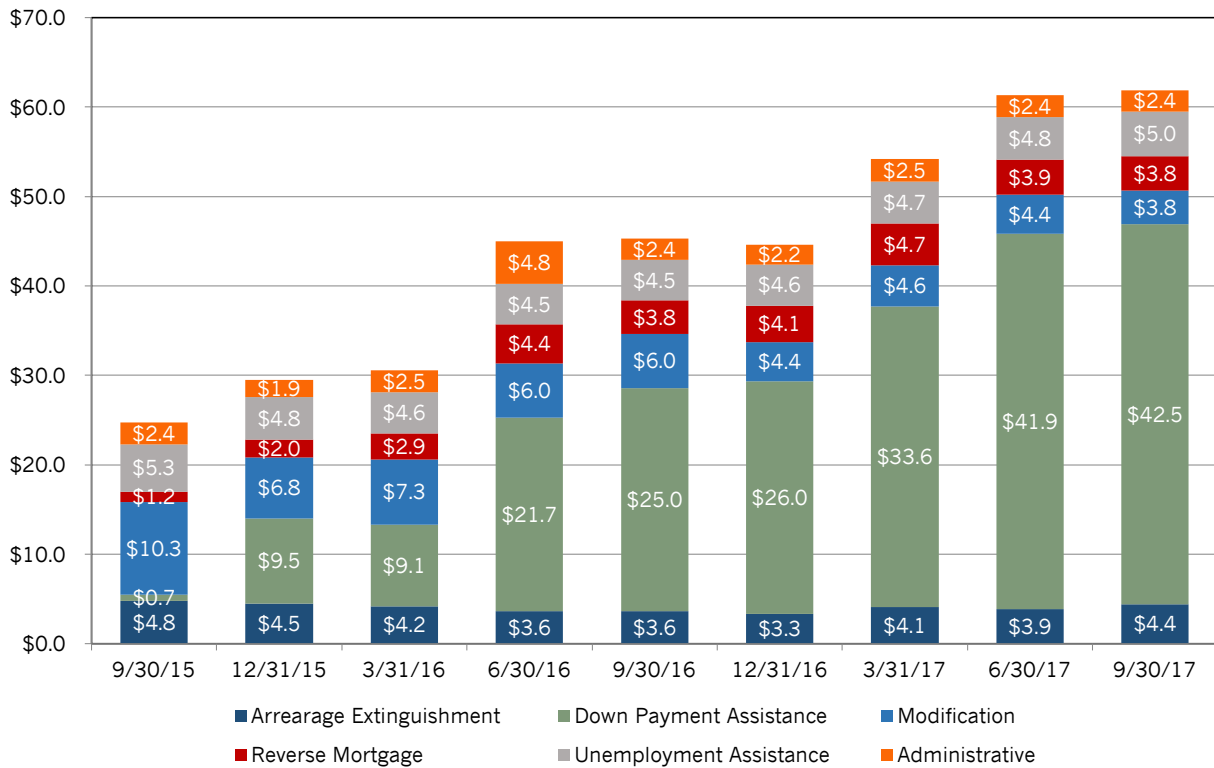
FIGURE 4.9  
STATUS OF FLORIDA  
HOMEOWNERS THAT APPLIED  
TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.



FIGURE 4.10 FLORIDA HHF SPENDING BY PROGRAM TYPE AND QUARTER SINCE THE START OF THE FL HHF DOWN PAYMENT ASSISTANCE PROGRAM



Source: Treasury, Hardest Hit Fund Quarterly Financial reports, various dates.

- Over the last 2 years the Florida agency has increased distribution of HHF to help homebuyers while decreasing distribution of these funds to help homeowners.

**MHA in Florida**

- 119,403 Florida homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Florida: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, JPMorgan Chase Bank NA, Select Portfolio Servicing Inc., Bank of America N.A., Seterus Incorporated, Ditech Financial LLC, Specialized Loan Servicing LLC, and CitiMortgage Inc.
- 36% of all Floridians (77,524) have been canceled out of the program.

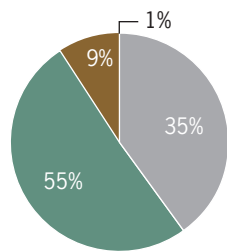
## HHF in Georgia

In October, 2017, SIGTARP issued an audit finding mismanagement by the Georgia agency. SIGTARP found:

- The Georgia agency failed to provide HHF assistance to underwater homeowners for 6 years when agencies in other states were already providing that assistance.
- The Georgia agency turned away more than 2,300 veterans who applied for HHF - 71% of veterans who applied.
- The Georgia agency mismanaged its largest HHF program by designing overly strict and unnecessary criteria that made it harder for a Georgia homeowner to receive this assistance than homeowners in other states.
- The Georgia agency mismanaged the HHF program by failing to fix a confusing application process, and requiring unnecessary red tape.<sup>20</sup>

FIGURE 4.11

HARDEST HIT FUND – USE OF FUNDS IN GEORGIA, AS OF 9/30/2017

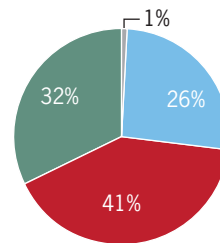


■ TARP Dollars to State Agency (\$34,673,598)  
 ■ Unemployment Bridge and Related Assistance (\$205,234,256)  
 ■ Homebuyer Assistance (\$3,315,000)  
 ■ Unspent (\$131,912,461)  
     Homebuyer Assistance (\$11,685,000)  
     Unemployment and Related (\$107,048,943)  
     Admin Expenses (\$13,178,518)

Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.12

STATUS OF GEORGIA HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



■ Workers Helped (10,122)  
 ■ Workers Denied (13,036)  
 ■ Workers with Withdrawn Applications (8,480)  
 ■ Workers In Process (415)

Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

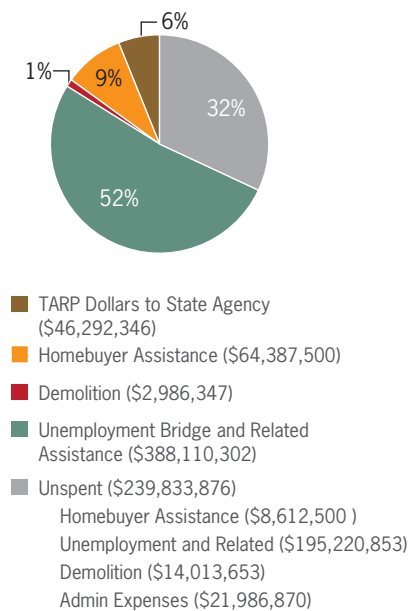
## MHA in Georgia

- 37,897 Georgia homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Georgia: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., JPMorgan Chase Bank NA, Nationstar Mortgage LLC, Select Portfolio Servicing Inc., Bank of America N.A., Ditech Financial LLC, Seterus Incorporated, MidFirst Bank, and Specialized Loan Servicing LLC.
- 40% of all Georgians (30,167) have been canceled out of the program.

### HHF in Illinois

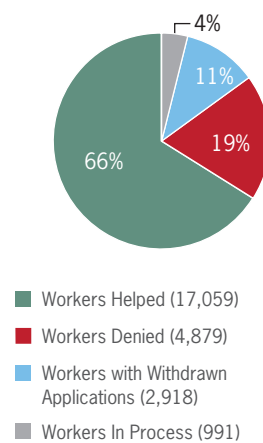
- HHF has helped 17,059 Illinois homeowners 3,051 during the last year.
- The Illinois agency spent \$46 million on its own salaries and expenses. SIGTARP's audit found that Illinois agency spent \$114,408 in HHF funds on unnecessary expenses, including: lunch at a pizza restaurant to “to celebrate getting new HHF funds and an employee’s upcoming wedding,” an employee retirement party, a Treasury employee's breakfast, \$98,305 on employee cash awards, \$16,089 supplies, parties, celebrations, food and beverages, (including for a contractor to deliver coffee and water).<sup>20</sup>

FIGURE 4.13  
HARDEST HIT FUND – USE OF FUNDS IN ILLINOIS, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.14  
STATUS OF ILLINOIS HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

### MHA in Illinois

- 50,298 Illinois homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Illinois: Ocwen Loan Servicing LLC, Nationstar Mortgage LLC, JPMorgan Chase Bank NA, Select Portfolio Servicing Inc., Wells Fargo Bank N.A., Ditech Financial LLC, Bank of America N.A., Seterus Incorporated, Specialized Loan Servicing LLC, and CitiMortgage Inc.
- 41% of all Illinoisians (40,176) have been canceled out of the program.

## TARP-Funded Demolition

After more than two years, the \$17 million TARP-funded demolition program in Illinois only demolished 117 abandoned houses using less than \$3 million.

TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN ILLINOIS					
City / County	Local Partners	Available TARP Dollars	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
Joliet	South Suburban Land Bank and Development Authority	\$1,260,000		\$231,313	9
Rockford	Rockford Corridor Improvement, Inc.	\$1,190,000		\$46,015	
			Northern Illinois Service Co.		
			J.D. Mark, Inc.		
Winnebago County	Comprehensive Community Solutions, Inc.	\$1,190,000		\$516,528	21 (1)
Park Forest	South Suburban Land Bank and Development Authority	\$1,155,000		\$65,022	2
Cook County	Greater Englewood CDC	\$805,000		\$157,981	4 (4)
	Sunshine Gospel Ministries	\$280,000		\$120,147	2
Freeport	NW Home Start, Inc.	\$525,000		\$278,853	19
			Kleckner Excavating		
			JMP Trucking, Inc.		
			G&G Construction		
			Northern Illinois Service Co.		
			Ironwood Environmental		
	Northwestern IL CAA	\$525,000			
Macomb	Western IL Regional Council CAA	\$1,050,000			
Chicago Heights	Cook County Land Bank Authority	\$945,000			
Springfield	Nehemiah Expansion	\$525,000			
	The Springfield Project; Enos Park Neighborhood Improvement Association	\$280,000		\$132,296	4
Aurora	Joseph Corporation of IL; Northern Lights Development Corp.	\$525,000			
	Fox Valley Habitat for Humanity	\$280,000			
Peoria	Peoria Citizens Committee for Economic Opportunity (PCCEO)	\$770,000			
Centralia	BCMW Community Services, Inc.	\$665,000			
Danville	Habitat for Humanity Danville	\$630,000			
Round Lake Beach	The Fuller Center for Housing - Hero Project Lake County	\$525,000			
Urbana	Habitat For Humanity Champaign	\$525,000		\$426,604	13 (2)
			National Corporate Research		
			Miller Enterprises		
			Dig-It of Champaign, Inc.		
			Owens Excavating and Trucking		

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN ILLINOIS (CONTINUED)**

City / County	Local Partners	Available TARP Dollars	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			ICD Ironhorse, Inc.		
			Ideal Environmental		
Rock Island	Rock Island Economic Growth Corp.	\$525,000		\$286,560	11
			Jimax		
			Valley Construction		
			Graves Environmental		
Sterling	Rock Island Economic Growth Corp.	\$455,000		\$332,141	13 (5)
			CP's Demolition Services		
			Burke Excavating		
Evanston	Community Partners for Affordable Housing	\$455,000			
Riverdale	Cook County Land Bank Authority	\$280,000		\$143,788	8
Moline	Moline Community Development Corporation	\$280,000		\$117,550	4
			Iowa-Illinois Taylor Insulation		
			H. Coopman Trucking & Excavating, Inc.		
			Advanced Environmental		
			Miller Trucking & Excavating		
			G&G Construction		
Ottawa	Starved Rock Homes Development Corp.	\$280,000		\$131,548	4
			Midwest Environmental Consulting Services, Inc.		
			K.L.F. Trucking		
			Fehr-Graham & Associates		
			Vegrzyn Sarver & Associates		
<b>Grand Total</b>		<b>\$15,925,000</b>		<b>\$2,986,347</b>	<b>117 (12)</b>

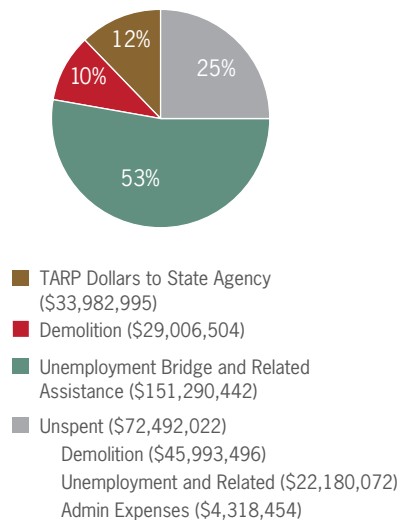
Source: Illinois Housing Development Authority.

Note: Due to reporting date differences, figures may vary from Treasury's published reports. Of the \$17,000,000 allocated to the blight program, \$15,925,000 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.

## HHF in Indiana

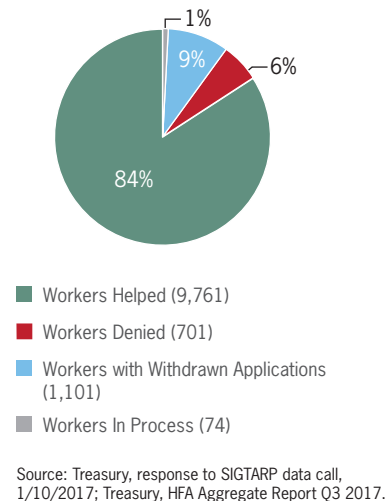
- The Indiana agency has helped 9,761 Indiana homeowners.
- The Indiana agency has spent \$34 million on its salaries and expenses (16% of all the state's HHF spending).
- SIGTARP's audit found the Indiana agency spent \$46,658 in HHF funds on unnecessary expenses, including: \$45,100 spent on employee bonuses, \$1,558 on water for employees.
- In December, 2015, SIGTARP uncovered abuse. In Evansville, Indiana, people in 18 houses were evicted or asked to move to have the house qualify for TARP funded-demolition so that a car dealership could move to the site. The Indiana agency was aware that people lived in the homes.<sup>20</sup>

FIGURE 4.15  
HARDEST HIT FUND – USE  
OF FUNDS IN INDIANA,  
AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.16  
STATUS OF INDIANA  
HOMEOWNERS THAT APPLIED  
TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Indiana

- 11,794 Indiana homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Indiana: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Select Portfolio Servicing Inc., Nationstar Mortgage LLC, JPMorgan Chase Bank NA, MidFirst Bank, Ditech Financial LLC, Bank of America N.A., Specialized Loan Servicing LLC, and Seterus Incorporated.
- 42% of all Indiana homeowners (10,381) have been canceled out of the program.

## TARP-Funded Demolition

The \$75 million TARP-funded demolition program in Indiana has demolished 2,004 properties, spending just over \$29.2 million.

### TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)		
City of Gary	\$11,054,000	City of Gary Redevelopment Commission	Unknown	\$2,048,921	195		
			Martin Enterprises, Inc	\$139,677			
			Indiana Earth, Inc	\$85,403	7		
			Hazex Construction Co, Inc	\$83,422	7		
			Gary Material Supply	\$57,493	5		
			Culy Contracting, Inc	\$53,874	4		
			Avatar Enterprises, Inc.	\$52,400	5		
			Keith Sullivan Excavating	\$49,427	5		
			Renascent, Inc	\$48,977	3		
			Actin Contracting LLC	\$44,798	4		
			Frank Construction & Excavating	\$37,731	4		
			Jm Industrial Services	\$36,968	3		
			Shroyer Bros, Inc.	\$31,433	3		
			Ritschard Bros, Inc.	\$24,943	3		
			C & M Wrecking Inc.	\$24,925	3		
			Bell & Bell Demolition	\$22,685	2		
			Probst Excavating	\$18,796	2		
			Miller's Excavating & Demolition	\$18,024	2		
			Cox Excavating Inc	\$16,810	1		
			Gerry's Construction Services	\$11,031	1		
			Nel Main Interiors, Inc.	\$10,815	1		
			Freedom First Excavating And Demo	\$10,088	1		
			Jerry Aigner Construction, Inc.	\$10,063	1		
			Spirit Wrecking & Excavation, Inc.	\$9,228	1		
			C Lee Construction Services, Inc.	\$9,088	1		
			Pelley Excavating	\$8,829	1		
			Holman Excavating	\$7,874	1		
			The Gary Redevelopment Commission		Unknown	\$255,324	20
					Gary Material Supply	\$34,232	3 (1)
					Avatar Enterprises, Inc.	\$23,765	2
					Rsr Demolition, LLC	\$11,566	2 (2)
					C Lee Construction Services, Inc.	\$9,214	1 (1)
		Kesler Excavating, LLC	\$8,507	1			
		Jerry Aigner Construction, Inc.	\$6,137	1			
Fuller Center for Housing of Gary		Unknown	\$116,448	10			

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**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Indiana Earth, Inc	\$17,685	1
			Spirit Wrecking & Excavation, Inc.	\$15,568	1
			Ritschard Bros, Inc.	\$13,776	1
			Kesler Excavating, LLC	\$11,566	1
			C Lee Construction Services, Inc.	\$9,766	1
			Pelley Excavating	\$9,478	1
		Broadway Area Community Development Corp.	Unknown	\$64,099	5
			Actin Contracting LLC	\$12,692	1
			Indiana Earth, Inc	\$11,588	1
			Jm Industrial Services	\$10,564	1
			Knott Drainage & Excavating	\$9,088	1
			Culy Contracting, Inc	\$8,588	1
		The Sojourner Truth House	Unknown	\$72,522	6
			Kesler Excavating, LLC	\$14,197	1
			C Lee Construction Services, Inc.	\$14,197	1
			Keith Sullivan Excavating	\$13,440	1
City of Fort Wayne	\$7,608,000	Housing and Neighborhood Devt. Svcs, Inc.	Unknown	\$3,700,688	190
			Martin Enterprises, Inc	\$176,796	9 (8)
			Gary Material Supply	\$151,895	7
			Naas & Son LLC	\$121,398	6
			Actin Contracting LLC	\$116,185	6 (1)
			Renascent, Inc	\$80,640	4
			B & G Construction	\$58,907	3
			La Excavating LLC	\$40,407	2
			Spirit Wrecking & Excavation, Inc.	\$39,970	2
			Dave's Excavating	\$39,871	3
			Ray's Demolition LLC	\$35,948	3
			Rsr Demolition, LLC	\$22,758	1
			Knott Drainage & Excavating	\$22,546	1
			Aulbach Construction	\$22,194	1
			Pelley Excavating	\$22,016	1
			Beaty Construction, Inc	\$21,504	1
			Yardberry Landscape Excavating	\$21,404	1
			Total Propoerty Care, Inc	\$20,635	1
			D & R Site Services	\$19,680	1
			Merrit & Sons Excavating	\$19,300	1
			Miller's Excavating & Demolition	\$19,121	1
			C Lee Construction Services, Inc.	\$18,731	1
			Herron Excavating Inc	\$14,854	1
			C & M Wrecking Inc.	\$14,550	1

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**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Gerry's Construction Services	\$14,369	1
			Melton Excavating	\$11,496	1
			Paul Davis Restoration	\$0	0 (0)
			Diamond Green Group, Inc.	\$0	0
			Rothberg Logan & Warsco LLP	\$0	0 (0)
			Protechs, Inc.	\$0	0 (0)
			Patriot Engineering	\$0	0 (0)
City of Indianapolis	\$6,390,000	Renew Indianapolis	Unknown	\$985,967	72 (12)
			Renascent, Inc	\$238,995	19 (19)
			Ray's Demolition LLC	\$171,719	15 (15)
			Culy Contracting, Inc	\$109,707	10
			Complete Demolition Services	\$98,569	7
			Mikesell Excavating Inc	\$93,354	5
			Merrit & Sons Excavating	\$63,342	4
			C & M Wrecking Inc.	\$57,941	5 (2)
			Avatar Enterprises, Inc.	\$52,669	3
			Neal Scrap Metals LLC	\$50,786	3
			Jm Industrial Services	\$37,795	3 (1)
			Jerry Aigner Construction, Inc.	\$35,398	2
			Naas & Son LLC	\$34,265	2
			Pro Lawn Care & Landscaping	\$24,727	2
			Shroyer Bros, Inc.	\$23,467	2
			Martin Enterprises, Inc	\$21,748	3 (1)
			Freedom First Excavating And Demo	\$19,021	1
			Vincent Concrete Contracting	\$16,372	1
			Carr-Thomas Construction Inc	\$15,868	1
			Robertson Paving	\$12,436	1
			Dorsey Paving Inc	\$11,892	1
			Yardberry Landscape Excavating	\$10,366	1
		Near East Area Renewal	Unknown	\$49,517	5
			Ray's Demolition LLC	\$23,213	2 (2)
			Total Propoerty Care, Inc	\$17,700	1
			Jerry Aigner Construction, Inc.	\$14,667	1
			C & M Wrecking Inc.	\$14,105	1
		Near North Development Corporation	Unknown	\$77,015	6
			Naas & Son LLC	\$32,565	3
		Mapleton Fall Creek Development Corporation	Unknown	\$38,814	2
			Merrit & Sons Excavating	\$18,825	1
		Riley Area Development Corporation	Complete Demolition Services	\$17,231	1
			Unknown	\$11,265	1

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)			
City of Muncie	\$4,006,000	Muncie Redevelopment Commission	Unknown	\$228,143	23			
			Shroyer Bros, Inc.	\$194,285	18 (18)			
			Rso Construction	\$94,601	9 (9)			
			Merrit & Sons Excavating	\$89,407	8 (8)			
			Martin Enterprises, Inc	\$25,863	3 (1)			
			Dorsey Paving Inc	\$14,235	1			
			Faith Builders	Rso Construction	\$25,000	1 (1)		
			Calvary Baptist Church	Shroyer Bros, Inc.	\$7,739	1 (1)		
			City of Richmond	\$3,529,000	Neighborhood Services Clearing-house	Unknown	\$1,506,737	94 (1)
						Jerry Aigner Construction, Inc.	\$65,946	5
Mikesell Excavating Inc	\$37,318	2 (2)						
Culy Contracting, Inc	\$34,917	2 (2)						
Earth Services Excavating	\$23,956	1						
Robinson Excavating	\$23,287	2						
Joe Lannan Excavating & Stump Removal	\$21,160	1						
Merrit & Sons Excavating	\$13,444	1						
Naas & Son LLC	\$13,258	1						
Mullins Supply Inc	\$9,875	1						
Robertson Paving	\$8,114	1						
Complete Demolition Services	\$0	0 (0)						
Cox Excavating Inc	\$0	0 (0)						
Pro Lawn Care & Landscaping	\$0	0 (0)						
Habitat for Humanity of Greater Richmond	Unknown	\$171,647				11		
	Jackson Trucking/Excavating	\$13,149				1		
	Pro Lawn Care & Landscaping	\$12,443				1 (1)		
Unknown	Unknown	\$19,384				2		
City of Kokomo	\$3,084,000	Kokomo Community Development Corp.				Unknown	\$772,601	65
						Jerry Aigner Construction, Inc.	\$66,749	7
			Cig Disposal	\$23,228	2			
			Jackson Trucking/Excavating	\$14,322	1			
			Merrit & Sons Excavating	\$14,265	2 (2)			
			Mccullough Excavating	\$12,939	1			
			Actin Contracting LLC	\$11,334	1			
			Naas & Son LLC	\$10,453	1			
			D & R Site Services	\$9,981	1			
			Mullins Supply Inc	\$9,519	1			
			Robertson Paving	\$9,462	1			
			Rsr Demolition, LLC	\$6,970	1			
			Gerry's Construction Services	\$6,741	1			
			City of Firsts Excavating and Demo LLC	\$0	0 (0)			
			Yardberry Landscape Excavating	\$0	0 (0)			

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Donathon's Inspections	\$0	0 (0)
			Merritt's Truck & Auto Repair	\$0	0 (0)
			La Excavating LLC	\$0	0 (0)
County of Elkhart	\$2,735,000	LaCasa Inc.	Unknown	\$507,185	25
			Lacasa	\$91,367	4
			Pelley Excavating	\$21,862	1 (1)
			Martin Enterprises, Inc	\$21,178	1
City of Anderson	\$2,711,000	Anderson Redevelopment Commission	Unknown	\$549,457	35
			Davis Excavating Inc.	\$75,185	5 (5)
			Rhino Excavating	\$0	0 (0)
			Shepherd Homes	\$0	0 (0)
			Apfel, Inc.	\$0	0 (0)
			Gerry's Construction Services	\$0	0 (0)
		Bethesda Missionary Baptist Church	Unknown	\$21,734	2
			Davis Excavating Inc.	\$0	0 (0)
			Gerry's Construction Services	\$0	0 (0)
City of Evansville	\$2,357,000	Evansville Brownfields Corp.	Unknown	\$758,971	42
			Martin Enterprises, Inc	\$61,814	3
			Renascent, Inc	\$54,250	2
			D & R Site Services	\$34,445	2
			Shroyer Bros, Inc.	\$22,995	1
			Ray's Demolition LLC	\$15,372	1
		New Odyssey Investments, LLC	Unknown	\$341,559	22
			Martin Enterprises, Inc	\$42,824	3
		ECHO Housing Corporation	Unknown	\$219,049	13
		Habitat for Humanity of Evansville, Inc.	Unknown	\$177,684	12
			Ray's Demolition LLC	\$9,925	1
			Renascent, Inc	\$9,419	1
		Community One, Inc.	Unknown	\$39,119	2
			D & R Site Services	\$15,651	1
		David Clark	Unknown	\$30,684	3
			Martin Enterprises, Inc	\$14,392	1
		Pleasant Chapel General Baptist Church	Unknown	\$33,894	2
		Gethsemane Church	Unknown	\$28,941	2
		Memorial Community Development Corporation	Unknown	\$26,779	1
		Full Gospel Mission	Unknown	\$20,572	2
		Ozanam Family Shelter Corp.	Unknown	\$18,238	1
		JBELL Properties, LLC	Unknown	\$10,838	1
		James Bradley	Unknown	\$9,606	1
		Amanda Hanna	Unknown	\$9,094	1

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**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
		Gloria Peek	Martin Enterprises, Inc	\$7,626	1
		Jonathan Page	Unknown	\$7,595	1
		Unknown	Crane Environmental Services, LLC	\$0	0 (0)
City of East Chicago	\$2,228,000	East Chicago Department of Redevelopment	Unknown	\$401,555	28
			Gary Material Supply	\$132,743	10
			Hazex Construction Co, Inc	\$71,756	8
			Actin Contracting LLC	\$41,750	2
			Avatar Enterprises, Inc.	\$8,500	1
		Unknown	Gary Material Supply	\$11,222	1
City of Sullivan	\$1,914,000	Sullivan City Redevelopment Commission	Unknown	\$235,371	17
			Miller's Excavating & Demolition	\$24,970	2
			Gerry's Construction Services	\$11,955	1
			Ray's Demolition LLC	\$11,955	1
			Freedom First Excavating And Demo	\$0	0 (0)
City of Marion	\$1,664,000	Marion Redevelopment Commission	Unknown	\$1,045,430	56
			Dorsey Paving Inc	\$34,484	2
			Melton Excavating	\$30,186	2
			Martin Enterprises, Inc	\$28,278	2
			Dave's Excavating	\$16,661	1 (1)
			Merrit & Sons Excavating	\$16,240	1
			Randal Miller & Associates	\$0	0 (0)
			Grant County Lawn Care	\$0	0 (0)
			Republic Services	\$0	0 (0)
			Keith Sullivan Excavating	\$0	0 (0)
			Affordable Housing Corporation	\$0	0 (0)
			Quality Environmental Solutions	\$0	0 (0)
County of Gibson	\$1,627,000	Princeton Redevelopment Commission	Unknown	\$136,326	8
			Renascent, Inc	\$24,500	1
		Thomas R. Johnstone, Sr.	Naas & Son LLC	\$45,372	2 (2)
			Unknown	\$44,386	3
		Barnaby Knoll	Unknown	\$49,085	3
			Ray's Demolition LLC	\$12,561	1
		Tim Thompson	Unknown	\$32,440	2
		Nicholas Burns	Unknown	\$32,243	2
		Mark A. Tooley	Naas & Son LLC	\$25,000	1 (1)
		Billy Ray Walden	Unknown	\$24,188	1
		Joshua and Mandy Conder	Naas & Son LLC	\$21,919	1 (1)
		Sheiln J. Besing	Unknown	\$19,793	1
		Lana Knowles	Unknown	\$19,695	1
		Leslie T. Marshall	Unknown	\$19,191	1

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
		Daniel R. Engler and Sherry L. Engler	Unknown	\$19,006	1
		Brian Dawson	Unknown	\$18,975	1
		Charles & Cathy Briner	Unknown	\$18,795	1
		John D. Young	Unknown	\$18,790	1
		Lillie E. Gardner Wheelhouse, Joseph H. Gardner and Judith L. Gardner	Unknown	\$18,556	1
		Brenda Farber	Unknown	\$18,250	1
		Steve & Brian Dyson	Merrit & Sons Excavating	\$18,137	1
		Janet and Thomas Dewig	Unknown	\$17,495	1
		Richard Ellis	Unknown	\$17,164	1
		Roger Adkins	Unknown	\$16,110	1
		Jane Hoskins	Unknown	\$15,885	1
		Julie and Ronald Titzer	Unknown	\$15,845	1
		Robert D. McClain	Unknown	\$15,597	1
		Habitat for Humanity of Gibson County	Unknown	\$15,443	1
		Randall A. Scales	Merrit & Sons Excavating	\$15,425	1
		Ronald Gordon	Unknown	\$15,260	1
		Nancy Carsey, Jay and Richard Stevens	Unknown	\$15,096	1
		Chris Schmidt	Unknown	\$14,970	1
		Gloria and Jose Garcia	Unknown	\$14,495	1
		David O. Hill	Unknown	\$13,950	1
		Ivan Wilkerson	Unknown	\$13,765	1
		Carl Dean Short	Unknown	\$13,595	1
		Anna Marie Kiel	Unknown	\$13,428	1
		Kenneth L. Wolf	Unknown	\$12,825	1
		Jonnie and Samuel Watkins	Merrit & Sons Excavating	\$12,800	1
		Sheryl Walker-Isakson/Allen Isakson	Unknown	\$12,719	1
		Evan and Jodi Meyer	Unknown	\$12,415	1
		Brandon W. Taylor and Jane E. Taylor	Unknown	\$12,197	1
		Carmen Jones	Unknown	\$11,970	1
		Ralph B DeBord	Ray's Demolition LLC	\$11,450	1
		Delores Neaveill	Naas & Son LLC	\$10,850	1 (1)
		Donald and Wilma Newcome	Unknown	\$10,076	1
		Scott and Kathryn St. Clair	Unknown	\$9,942	1
		Darlene Wright	Unknown	\$9,600	1
City of South Bend	\$1,579,000	Urban Enterprise Assoc. of South Bend, Inc.	Unknown	\$557,483	32
			Martin Enterprises, Inc	\$52,664	3
			Naas & Son LLC	\$30,080	2
			Merrit & Sons Excavating	\$28,226	2

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Actin Contracting LLC	\$24,154	1
			Jerry Aigner Construction, Inc.	\$19,658	1
			Chem Check, Inc.	\$19,205	1
		South Bend Heritage Foundation, Inc.	Unknown	\$129,718	7
			Merrit & Sons Excavating	\$19,613	1
			Gerry's Construction Services	\$17,695	1
			Actin Contracting LLC	\$14,459	1
		Near Northwest Neighborhood Inc.	Unknown	\$153,522	9
			Indiana Earth, Inc	\$0	0 (0)
City of Terre Haute	\$1,547,000	Terre Haute Department of Redevelopment	Unknown	\$191,200	15
			Gerry's Construction Services	\$3,719	1
			Bell & Bell Demolition	\$0	0 (0)
			Hoggatt Excavating & Demolition	\$0	0 (0)
County of Warrick	\$1,318,000	Boonville Now, Inc.	Unknown	\$288,902	18 (1)
		Ehrlich & Karen Smith	Jerry Aigner Construction, Inc.	\$27,702	2 (2)
		Christopher Lunn	Unknown	\$25,000	1
		Thomas Key	Unknown	\$24,211	1
		Roy and Linda Paxton	Unknown	\$23,690	1
		Josh Barnett	Unknown	\$22,166	1
		Habitat for Humanity of Warrick County	Unknown	\$20,282	2
		Alan, Daryl & Elizabeth (Griggs) Saltzman	Unknown	\$17,317	1
		Lori Lamar	Unknown	\$15,618	1
		Larry & Karen Willis	Unknown	\$15,487	1
		Andy R & Donna VanWinkle	Unknown	\$15,012	1
		Scott Speicher	Unknown	\$14,336	1
		Wesley B. Hack and Maureen L. Hack	Unknown	\$13,916	1
		James B. Decker, II	Unknown	\$13,579	1
		Bettye Lee	Unknown	\$13,466	1
		Dennis & Cheryl Oakley	Unknown	\$13,443	1 (1)
		Clifford Hayden	Unknown	\$12,373	2
		Brian Hendrickson	Unknown	\$12,070	1
		Terry D. Cline and Kathy J. Cline	Unknown	\$11,966	1
		Tim A. McKinney	Jerry Aigner Construction, Inc.	\$11,364	1
		Ronald & Annis M. Marshall	Unknown	\$10,057	1
		Roy and Taffney Carter	Jerry Aigner Construction, Inc.	\$9,127	1 (1)
City of New Castle	\$1,062,000	Interlocal Community Action Program, Inc.	Unknown	\$85,636	10
		Healthy Communities of Henry County	Unknown	\$74,022	7
			Martin Enterprises, Inc	\$9,699	1

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
		Westminster Community Center	Unknown	\$50,112	7
			L & H Excavating & Land Prep	\$7,494	1
			Naas & Son LLC	\$7,126	1
			Miller's Excavating & Demolition	\$6,686	1
			Neal Scrap Metals LLC	\$0	0 (0)
		Henry County Redevelopment Commission	Unknown	\$30,646	4
County of Greene	\$945,000	Greene Redevelopment Commission	Unknown	\$153,299	14
			Carr-Thomas Construction Inc	\$94,979	8 (8)
			L & H Excavating & Land Prep	\$57,017	5 (5)
			Joe Lannan Excavating & Stump Removal	\$13,010	1 (1)
			Mullins Supply Inc	\$11,723	1 (1)
			Pelley Excavating	\$10,438	1
City of Logansport	\$925,000	Logansport Municipal Building Corporation	Unknown	\$499,329	29
			Martin Enterprises, Inc	\$74,972	4
			Miller's Excavating & Demolition	\$12,645	1
City of Hammond	\$883,000	United Neighborhoods, Inc.	Unknown	\$208,787	12
			Probst Excavating	\$17,676	1
			Martin Enterprises, Inc	\$17,613	1
			Merrit & Sons Excavating	\$11,583	1
		Hammond Redevelopment Commission	Unknown	\$153,542	9
			C Lee Construction Services, Inc.	\$19,625	1
City of Peru	\$813,000	Miami County Economic Development Authority	Merrit & Sons Excavating	\$205,376	13 (13)
			Unknown	\$107,405	6
			Naas & Son LLC	\$33,850	2
			Environmental Technology Consulting	\$0	0 (0)
			A & G Environmental Solutions	\$0	0 (0)
		Scratching Post Cat Rescue	Merrit & Sons Excavating	\$16,550	1 (1)
			Environmental Technology Consulting	\$0	0 (0)
		Habitat for Humanity of Miami County, Inc.	Merrit & Sons Excavating	\$15,000	1 (1)
			Environmental Technology Consulting	\$0	0 (0)
County of Posey	\$793,000	Mt. Vernon Redevelopment	Unknown	\$330,507	22
			Martin Enterprises, Inc	\$26,545	3
			Renasant, Inc	\$20,544	2
			Freedom First Excavating And Demo	\$14,356	1
			Shroyer Bros, Inc.	\$11,715	1
		Sherriell Thompson	Unknown	\$24,007	1
		Dale Reuter	Shroyer Bros, Inc.	\$22,382	1
		Beverly Stone/Katrina Wagner	Unknown	\$13,895	1

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
		Brett Newman	Unknown	\$12,091	1
		Bruce and Kathy Martin	Unknown	\$9,498	1
		Randall Yeida and Susan Marshall	Unknown	\$7,187	1
City of Hartford City	\$705,000	Blackford Development Corp.	Unknown	\$190,184	18
			Martin Enterprises, Inc	\$26,920	2
			Ray's Demolition LLC	\$15,940	2
			Renascent, Inc	\$12,568	1
		Jay Dawson	Unknown	\$10,010	1
		Rosalie Adkins	Unknown	\$9,765	1
City of Bicknell	\$666,000	Bicknell Bulldog Development Corporation	Unknown	\$148,432	9
			Pro Lawn Care & Landscaping	\$55,312	3
			Mikesell Excavating Inc	\$30,035	2
			Melton Excavating	\$21,716	1
			Pelley Excavating	\$20,360	1
			Culy Contracting, Inc	\$135	1
City of Vincennes	\$659,000	United Pentecostal Tabernacle	Unknown	\$11,464	1
		Priscilla Wissell	Unknown	\$9,917	1
City of Austin	\$644,000	Austin Redevelopment Commission (ARC)	Unknown	\$239,525	18
			L & H Excavating & Land Prep	\$13,865	1
			Rso Construction	\$12,077	1
City of Elwood	\$625,000	Elwood Redevelopment Commission	Unknown	\$294,387	21
			Miller's Excavating & Demolition	\$69,309	9 (9)
			Martin Enterprises, Inc	\$16,036	1
			Naas & Son LLC	\$15,032	1
			Avatar Enterprises, Inc.	\$14,710	1
			Rso Construction	\$14,014	2 (2)
			Jerry Aigner Construction, Inc.	\$11,348	1
			D & R Site Services	\$6,605	1 (1)
City of Washington	\$459,000	Davies County Economic Development Foundation, Inc.	Unknown	\$99,550	10
			Freedom First Excavating And Demo	\$7,066	1
City of Rushville	\$406,000	Southern Indiana Housing & Community Development Corp	Unknown	\$204,417	12
City of Alexandria	\$355,000	Alexandria Redevelopment Commission	Unknown	\$257,225	17
			Freedom First Excavating And Demo	\$41,658	2
			Gerry's Construction Services	\$10,339	1 (1)
City of Connersville	\$322,000	Connersville Urban Enterprise Association U.E.A.	Unknown	\$106,619	5
		Whole Family Community Initiative, Inc./House of Ruth of Connersville	Unknown	\$70,962	3

Continued on next page



**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)	
City of Columbus	\$300,000	ARA (Administrative Resources Association)	Unknown	\$51,428	3	
City of Dunkirk	\$273,000	Dunkirk Industrial Development Corp.	Ray's Demolition LLC	\$42,630	4	
			Unknown	\$31,671	3	
			C Lee Construction Services, Inc.	\$12,501	1	
			Renascent, Inc	\$10,657	1	
Town of Waterloo	\$236,000	Waterloo Redevelopment Commission	Unknown	\$114,212	5	
			Habitat for Humanity of Northeast Indiana	Unknown	\$50,428	3
			RP Wakefield Co.	Unknown	\$15,699	1
City of Knox	\$223,000	Starke County Economic Devt. Foundation, Inc.	Unknown	\$87,014	6	
			Shroyer Bros, Inc.	\$29,467	2	
			Mikesell Excavating Inc	\$16,745	1	
			Rso Construction	\$13,241	1	
Town of Decker	\$223,000	Darrell & Robin Lindsay	Freedom First Excavating And Demo	\$9,315	1	
			Unknown	\$8,836	1	
			David & Bonnie Wehmeier	Unknown	\$6,442	1
County of Dearborn	\$218,000	Aurora Redevelopment Commission	Unknown	\$46,197	2	
			Wolf & Sons Contracting LLC	\$15,615	1 (1)	
		Town of Moores Hill Redevelopment Commission	Unknown	\$22,032	1	
			Naas & Son LLC	\$9,130	1	
		Aurora Development Corporation	Unknown	\$19,903	1	
		Victor Fay	Unknown	\$14,828	1	
		Joseph Fette	Unknown	\$12,166	1	
		Casey Kaiser	Unknown	\$11,609	1	
		John & Darlene Albright	Complete Demolition Services	\$9,172	1	
		Robert and Janice Fehrman Revocable Trust	Unknown	\$8,963	1	
Linda Ketterman Revocable Trust	Unknown	\$50	1			
City of Brazil	\$215,000	Clay County Economic Redevelopment Commission	Unknown	\$165,634	9	
City of Rising Sun	\$211,000	Redevelopment Commission of City of Rising Sun	Unknown	\$117,066	5	
Town of Hagerstown	\$150,000	Joe Smith, Jefferson Township Trustee	Neal Scrap Metals LLC	\$35,430	2 (2)	
			Randy Moles	Unknown	\$9,744	1
			Edward Nugent	Unknown	\$8,765	1
Town of Richland City	\$144,000	The Friends of Richland	Unknown	\$67,856	4	
City of Portland	\$126,000	Community & Family Services	Unknown	\$56,300	4	
City of Lawrence	\$120,000	Lawrence/Fort Harrison Development Corporation dba Lawrence Community Development Corporation	Unknown	\$42,754	4	

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN INDIANA**

City / County	Available TARP Dollars	Local Partners	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Martin Enterprises, Inc	\$14,883	1
			Ray's Demolition LLC	\$0	0 (0)
City of Montpelier	\$79,000	Blackford Development Corp.	Unknown	\$32,858	3
County of Howard	\$72,000	Jessee Trine	Unknown	\$19,858	1
		Howard Redevelopment Commission	Unknown	\$10,849	1
City of Lebanon	\$72,000	Lebanon Community Development Corporation	Unknown	\$21,500	2
			Iesco Construction, Inc.	\$17,050	1
Town of Greens Fork	\$68,000	Monty and Mary York	Unknown	\$14,765	1
		Mendy Rose	Unknown	\$8,265	1
		David and Dianna Mosier and Danielle Virgil	Unknown	\$7,265	1
Town of Silver Lake	\$61,000	Silver Lake Education Foundation	Unknown	\$30,975	3
			Greene Excavating	\$0	0 (0)
Town of St. Joe	\$50,000	Habitat for Humanity of Northeast Indiana	Unknown	\$23,446	1
Town of Daleville	\$43,000	Daleville Parks, Inc.	Unknown	\$33,235	2
Town of Sweetser	\$36,000	Sweetser Redevelopment Corp.	Unknown	\$26,098	2
City of Auburn	\$25,000	Habitat for Humanity of Northeast Indiana	Unknown	\$30,106	1
Town of Arcadia	\$18,000	Curtis and Mary Parr	Ray's Demolition LLC	\$21,015	1
Town of Coatesville	\$18,000	National Road Heritage Trail	Unknown	\$17,257	1
City of Shelbyville	\$406,000	Habitat for Humanity For Shelby Co.	Unknown	\$39,760	2
			Shroyer Bros, Inc.	\$16,736	1
			Naas & Son LLC	\$16,195	1
			Jackson Services	\$12,944	1
Additional Known Contractors			ITW		
			Stephenson Excavating, Inc		
<b>Grand Total</b>	<b>\$69,000,000</b>			<b>\$29,206,423</b>	<b>2,004 (174)</b>

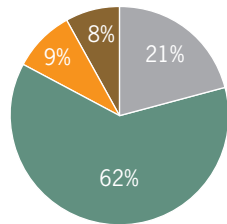
Source: Indiana Housing and Community Development Authority

Note: Due to reporting date differences, figures may vary from Treasury's published reports. Of the \$75,000,000 allocated to the blight program, \$69,000,000 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.

### HHF in Kentucky

- Last year, only 708 Kentucky homeowners received help through HHF Kentucky’s unemployment program, despite there being approximately 83,255 unemployed people in Kentucky.
- 70% of homeowners received help, while 17% of homeowners were denied and 12% of homeowners had their applications withdrawn.
- SIGTARP’s audit found the Kentucky agency spent \$49,150 in HHF funds on unnecessary expenses, including: \$159 spent on catered lunches with Treasury employees, \$46,811 spent on severance payments for three employees, \$654 spent on gift certificates and cash bonuses, \$1,526 spent on food and beverages, including a picnic with food trucks, an employee gelato outing.<sup>20</sup>

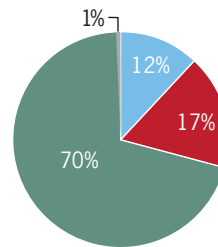
FIGURE 4.17  
HARDEST HIT FUND – USE OF FUNDS IN KENTUCKY, AS OF 9/30/2017



- TARP Dollars to State Agency (\$16,960,134)
- Homebuyer Assistance (\$19,335,000)
- Unemployment Bridge and Related Assistance (\$131,444,581)
- Unspent (\$43,840,219)
  - Homebuyer Assistance (\$5,330,745)
  - Unemployment and Related (\$35,494,223)
  - Admin Expenses (\$3,015,251)

Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.18  
STATUS OF KENTUCKY HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



- Workers Helped (9,251)
- Workers Denied (2,275)
- Workers with Withdrawn Applications (1,606)
- Workers In Process (133)

Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

### MHA in Kentucky

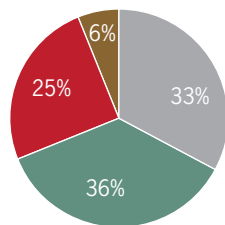
- 4,443 Kentucky homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Kentucky: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Bank of America N.A., Ditech Financial LLC, U.S. Bank National Association, MidFirst Bank, and Specialized Loan Servicing LLC.
- 43% of all Kentuckians (4,138) have been canceled out of the program.

## HHF in Michigan

The Michigan agency has apportioned \$186 million in unspent TARP dollars for blight demolition and \$41.6 million unspent on direct assistance to homeowners.

- The \$381.2 million TARP-funded demolition program has demolished 13,033 homes in Michigan, after more than three years, spending over \$195 million on demolition. In the past year HHF Michigan has demolished 3,184 houses.
- Fewer than half of all homeowners seeking help from the state agency received HHF assistance (72,162 homeowners sought help and 35,138 received that help).
- The Michigan agency spent has been paid \$42.7 million for its own salaries and expenses, and is slated to be paid an additional \$27.3 million for its expenses. SIGTARP found that the Michigan agency spent \$337,349 in HHF funds on unnecessary expenses, including: \$77 spent on refreshments and meals for Treasury employees, \$330,575 spent to provide free parking to employees, \$6,642 in parties, celebrations or other food and beverages, including cupcakes, ice cream sandwiches, balloons and pizza, \$55 on employee gifts from Bed, Bath & Beyond.<sup>20</sup>

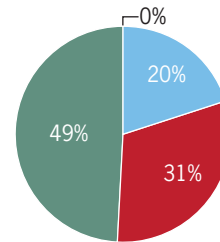
FIGURE 4.19  
HARDEST HIT FUND – USE OF FUNDS IN MICHIGAN, AS OF 9/30/2017



■ TARP Dollars to State Agency (\$42,751,838)  
 ■ Demolition (\$195,305,606)  
 ■ Unemployment Bridge and Related Assistance (\$277,442,358)  
 ■ Unspent (\$254,824,942)  
     Demolition (\$185,993,950)  
     Unemployment and Related (\$41,600,977)  
     Admin Expenses (\$27,230,015)

Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.20  
STATUS OF MICHIGAN HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



■ Workers Helped (35,138)  
 ■ Workers Denied (22,273)  
 ■ Workers with Withdrawn Applications (14,429)  
 ■ Workers In Process (322)

Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Michigan

- 25,489 Michigan homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Michigan: Ocwen Loan Servicing LLC, Nationstar Mortgage LLC, JPMorgan Chase Bank NA, Select Portfolio Servicing Inc., Wells Fargo Bank N.A., Ditech Financial LLC, Bank of America N.A., Seterus Incorporated, Specialized Loan Servicing LLC, and CitiMortgage Inc.
- 37% of all Michigan homeowners (19,510) have been canceled out of the program.

## TARP-Funded Demolition

In the past year HHF Michigan has demolished 3,184 houses.

TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN MICHIGAN					
City / County	Local Partners	Available TARP Dollars	Primary Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
Detroit	Detroit Land Bank	\$258,653,459	Adamo	\$35,113,592	2,254 (51)
			Homich	\$31,057,321	2,012 (92)
			Dmc Consultants, Inc	\$14,090,493	930 (42)
			Rickman Enterprise Group, Llc	\$10,700,483	610 (79)
			Able Demolition Inc.	\$9,370,496	607 (54)
			Abc Demolition Company, Inc.	\$5,436,183	377 (10)
			Salenbien Trucking And Excavating, Inc	\$5,371,853	375 (146)
			Mcm Mangement Corp	\$4,407,612	334
			Blue Star, Inc.	\$3,447,615	241 (7)
			Farrow Group	\$2,976,938	177 (2)
			Esso Wrecking	\$2,696,811	175 (24)
			Direct Construction Services, Llc	\$681,894	54 (30)
			313 Construction, Llc	\$536,429	36
			Unknown	\$526,114	48
			Leadhead Construction	\$305,222	21
			Smalley Construction	\$193,828	19
			Berkshire	\$165,167	10 (5)
			Time Savers	\$132,156	8
			Rademacher	\$16,522	1
			Flint	Michigan Land Bank - Highland Park	\$5,000,000
Smalley Construction	\$1,160,751	56 (7)			
Adamo	\$156,990	9			
Flint	Genesee County Land Bank	\$67,542,278	North American Dismantling Corp.	\$9,789,876	729 (1)
			L Zellar And Sons Excavating Inc	\$5,656,418	435 (34)
			Jack Fick Excavating Inc	\$4,933,479	411
			Salenbien Trucking And Excavating, Inc	\$3,825,396	249 (56)
			L.A. Construction Corp	\$3,536,044	267 (12)

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### TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN MICHIGAN

City / County	Local Partners	Available TARP Dollars	Primary Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			S.C. Environmental Services, Llc	\$954,017	72 (1)
			Unknown	\$764,461	61 (1)
			W. T. Stevens Construction, Inc.	\$713,917	71
			Efficient Demolition, Inc.	\$104,113	9
			Qualified Abatement		
			Trust Thermal Abatement, Inc.		
			The Mannik Smith Group		
			Rightway Remediation		
			Kristine Stanley		
			Green Thumb/Zito Construction		
			Global Environmental Engineering Inc.		
			ADR Consultants		
Saginaw	Saginaw County Land Bank	\$13,416,984	Rodney Woods Builder	\$7,784,913	578
			Rohde Brothers Excavation	\$1,569,697	131
			Mead & Sons Contracting, Inc	\$1,461,957	110 (11)
			Braddock Demolition	\$523,871	34
Lansing	Ingham County Land Bank	\$6,000,000	S.C. Environmental Services, Llc	\$2,451,447	164 (2)
			Bolle Contracting, Inc	\$1,334,539	88
Jackson	John George Home, Inc.	\$5,500,000	Smalley Construction	\$3,012,852	137 (3)
			Salenbien Trucking And Excavating, Inc	\$1,072,831	46 (1)
			Dunigan Bros., Inc.	\$826,481	37 (2)
			R A Baker	\$355,514	17
			Rickman Enterprise Group, Llc	\$107,155	5
			Lester Brothers	\$82,642	4
Calhoun County	Calhoun County Land Bank	\$3,835,499			
Pontiac	Michigan Land Bank - Pontiac	\$3,705,000	Able Demolition Inc.	\$1,024,528	74
			Salenbien Trucking And Excavating, Inc	\$973,718	50
			Blue Star, Inc.	\$555,583	38
			313 Construction, Llc	\$94,866	9
			Adamo	\$94,166	6
			Hornich	\$71,984	3
			O'Brien Construction C/O Adr Consultants, Llc	\$44,788	4
			Merlo Construction	\$10,276	1
Muskegon	Muskegon County Land Bank	\$3,625,000	Melching	\$1,396,883	126
			Jmb Demolition, Llc	\$327,715	34
			Pitsch Companies, Inc.	\$100,000	4
Ecorse	Wayne Metro - Ecorse - HHF	\$2,590,000	International Construction, Inc.	\$1,063,852	72 (18)
			Lyle Demolition Llc	\$809,947	49 (29)
			Salenbien Trucking And Excavating, Inc	\$159,699	10
Grand Rapids	Kent County Land Bank	\$1,776,435	Pitsch Companies, Inc.	\$958,183	53 (2)

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN MICHIGAN**

City / County	Local Partners	Available TARP Dollars	Primary Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Specialized Demolition, Inc.	\$586,609	29
			Eco Demolition	\$119,284	5
			River City Excavating	\$59,625	3
			F Lax Construction	\$25,000	1
			Unknown	\$21,682	1
	Kent County Habitat for Humanity	\$656,744	Specialized Demolition, Inc.	\$376,050	16 (1)
			Pitsch Companies, Inc.	\$253,934	11
			Unknown	\$12,920	1
Inkster	Michigan Land Bank - Inkster	\$2,250,000	Adamo	\$943,619	52
			Salenbien Trucking And Excavating, Inc	\$674,413	34 (5)
			Kci General Contractors	\$47,069	3 (3)
River Rouge	Wayne Metro - River Rouge - HHF	\$1,700,000	Salenbien Trucking And Excavating, Inc	\$502,050	30
			Superior Wrecking, Inc.	\$317,984	21 (4)
			International Construction, Inc.	\$207,674	10 (10)
			E Gilbert & Sons	\$116,265	10
Galesburg	Kalamazoo County Land Bank	\$1,260,630	Bolle Contracting, Inc	\$233,314	15 (9)
			Pitsch Companies, Inc.	\$126,148	8 (8)
			Jmb Demolition, Llc	\$99,784	6 (6)
			Kmr	\$22,235	2
Port Huron	Port Huron Neighborhood Housing Corporation	\$1,000,000	S.A. Torello, Inc.	\$718,875	32 (1)
			L&J Construction	\$138,004	7
			Hammar'S Contracting	\$125,218	6
Ironwood	Gogebic County Land Bank	\$915,000	Snow Country Contracting, Inc.	\$289,248	15
			Angelo Luppino, Inc.	\$172,856	8
			Associated Constructors, Llc	\$59,899	4
Hamtramck	Michigan Land Bank - Hamtramck	\$540,000	Salenbien Trucking And Excavating, Inc	\$200,447	9 (2)
			Adamo	\$40,271	2
Adrian	Lenawee County Land Bank	\$375,000	Slusarski Excavating & Paving Inc.	\$160,257	8
			Salenbien Trucking And Excavating, Inc	\$78,796	5 (3)
Ishpeming	Marquette County Land Bank	\$250,000	Associated Constructors, Llc	\$34,155	3
			Moyle	\$22,879	1 (1)
Melvindale	Wayne Metro-Melvindale	\$102,000			
Baraga County^					
Bay City^					
Berrien County^					
Cass County^					
Cheboygan County^					
Grand Ledge^					

Continued on next page

### TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN MICHIGAN

City / County	Local Partners	Available TARP Dollars	Primary Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
Monroe <sup>^</sup>					
Schoolcraft County <sup>^</sup>					
Sturgis <sup>^</sup>					
Additional Known Contractors			BBEK Environmental		
			Insulation & Environmental Services		
<b>Grand Total</b>		<b>\$380,694,029</b>		<b>\$196,687,222</b>	<b>13,033 (776)</b>

Source: Michigan HFA response to SIGTARP data call.

<sup>^</sup>: These municipalities have been publicly announced as participating in the blight program, but have not yet been allocated funding .

Note 1: Figures may vary slightly from Treasury's published reports, typically due to timing and related issues.

Note 2: "TARP Dollars Used" includes demolition, acquisition, greening, maintenance and other costs associated with the demolition of the respective properties. Not all of the TARP dollars used were paid to and/or retained by the Primary Demolition Contractor.

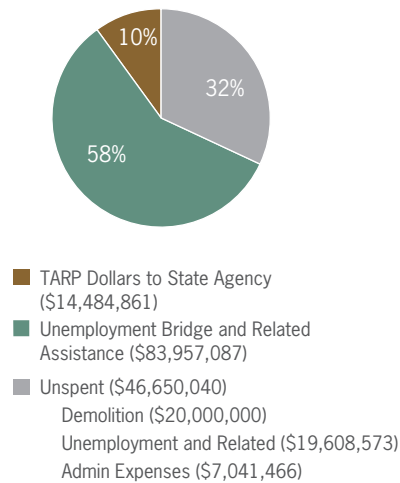
Note 3: Of the \$381,185,566 allocated to the blight program, \$380,694,029 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.



## HHF in Mississippi

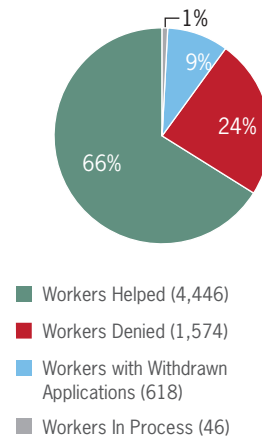
- HHF has helped 4,446 Mississippi homeowners.
- Mississippi has spent \$14.5 million on administrative expenses which accounts for 15% of all the state’s HHF spending, higher than the national average of 10.5%.
- Only 473 new Mississippi homeowners were admitted to HHF last year.
- 33% of 6,684 Mississippi homeowners who applied for HHF help did not receive it.
- SIGTARP’s audit found the Mississippi agency spent \$8,111 in HHF funds on unnecessary expenses, including: \$369 spent on restaurant lunch for 30 people, including Treasury employees, \$5,343 spent on unemployment benefits, \$2,399 on training lunches with counselors.

FIGURE 4.21  
HARDEST HIT FUND – USE OF FUNDS IN MISSISSIPPI, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.22  
STATUS OF MISSISSIPPI HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## TARP-Funded Demolition

The Mississippi state agency’s \$20 million TARP-funded demolition program was launched on December 19, 2016. The Mississippi State agency has not reported any demolition.

## MHA in Mississippi

- 4,279 Mississippi homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Mississippi: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Bank of America N.A., MidFirst Bank, Trustmark National Bank, Ditech Financial LLC, and Specialized Loan Servicing LLC
- 48% of all Mississippians (4,552) have been canceled out of the program.

## HHF in Nevada

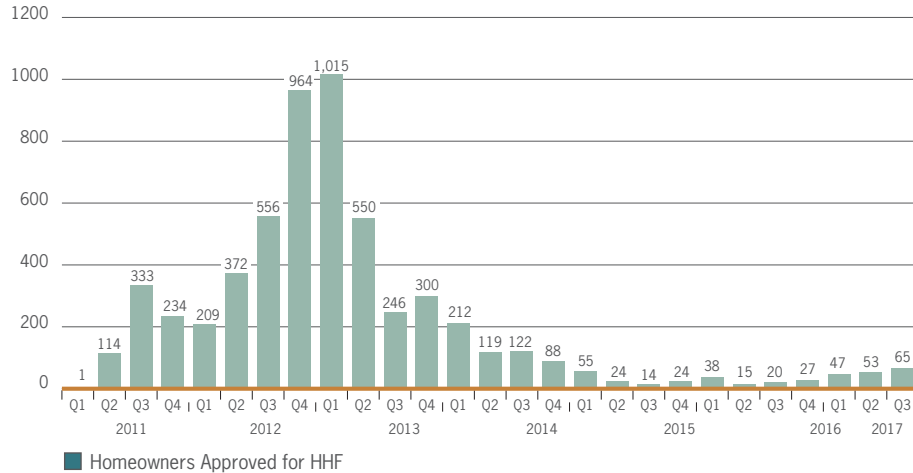
SIGTARP has identified the Nevada state agency contractor NAHAC as one of the worst participants in HHF, despite being paid \$19.1 million in funds. For example:

- Treasury reported to SIGTARP that Nevada did not meet its 2017 HHF utilization threshold and therefore will have its HHF allocation reduced by \$6.7 million, which will be allocated to all other HHF states (other than Nevada and Alabama).
- Nevada had a 94% drop in number of homeowners helped each quarter from the first quarter of 2013 to 65 in the third quarter of 2017, see Figure 4.22.
- Only 167 Nevada homeowners received help from HHF last year, even though 72,048 people in Nevada are unemployed and the program has \$84.7 million available to help them.
- During the past year, HHF Nevada did not provide mortgage modification assistance to any homeowners while there were 49,849 homeowners in the state who owed more than their home was worth as of 9/30/2017.
- The Nevada state agency spent \$240,677 in HHF funds on unnecessary expenses, including: \$194,294 spent on private investigators, settlement payments for discrimination, and severance payments to former employees, \$43,497 spent on bonuses, of which nearly all went to the CEO who was later terminated, \$2,886 on two employee picnics and other celebrations and food.
- In a September 2016 audit, SIGTARP found \$8.2 million in wasted TARP dollars and abuse by the Nevada Affordable Housing Assistance Corporation (NAHAC), the contractor selected by the state agency to administer HHF. SIGTARP recommended that Treasury prohibit NAHAC from HHF and seek repayment of the following waste identified by SIGTARP:
  - \$11,000 for the CEO's car allowance for a Mercedes Benz
  - \$10,963.68 spent on employee bonuses, employee gifts, employee outings, staff lunches and other employee perks.
    - SIGTARP found that NAHAC used TARP funds to treat their employees to extravagant gifts and perks, all of which was charged to the HHF. NAHAC spent these funds at restaurants, a casino, a country club, on catering and employee gifts, and on an executive's bonus. Establishments where funds were spent include Herbs & Rye, named the nation's best "high volume cocktail bar," and the Dragon Ridge Country Club and Golf Course, which provides "championship golf, luxurious amenities and elegant service."
  - \$5,811.27 spent for holiday parties and gifts
  - \$100,385.20 wasted on excessive rent, relocation and related costs
  - \$184,319.21 spent on legal expenses to defend violations and alleged violations of the law
    - HHF funds were used to pay lawyers to settle a federal investigation by the Department of Labor who found that NAHAC violated Federal law: employee discrimination lawsuits (block-billed at \$123,217), and for an ethics investigation (block-billed at \$18,160).
  - \$26,395.70 to pay for forensic auditors to reconcile its books
  - \$10,812.00 for the independent auditor to reconcile non-HHF bank accounts
  - \$19,874.75 paid for the terminated CEO's severance package
  - \$10,840.18 spent on non-HHF expenses identified by Treasury
  - \$23,838.25 identified by Treasury for unsupported and non-HHF expenses

- \$2,241,396 in wasted excessive administrative expenses during 2015, which exceeded the per-homeowner-cost in 2013, and \$7,459,626.22 in overhead as NAHAC charged 100% of its overhead to HHF.

FIGURE 4.23

NEVADA HOMEOWNERS APPROVED FOR HHF, BY QUARTER

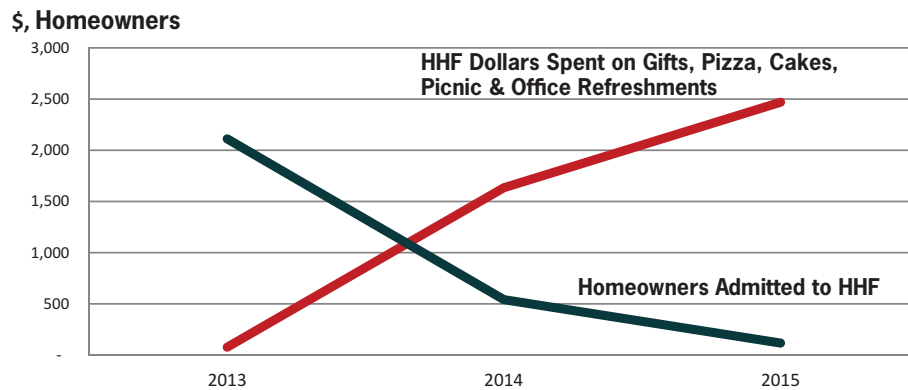


Source: NAHAC Quarterly Report (QPRs). Data for Q1, Q2 and Q3 2017 is from Treasury's Housing Finance Agency (HFA) Aggregate Reports, as NAHAC has failed to publish QPRs for that period. <https://www.treasury.gov/initiatives/financial-stability/reports/Pages/Housing-Finance-Agency-Aggregate-Report.aspx>

- Since 2013 spending by the Nevada state agency has increased while the number of homeowners helped has decreased, see Figure 4.23.

FIGURE 4.24

SPENDING BY HARDEST HIT FUND NEVADA COMPARED TO HOMEOWNERS APPROVED FOR HHF

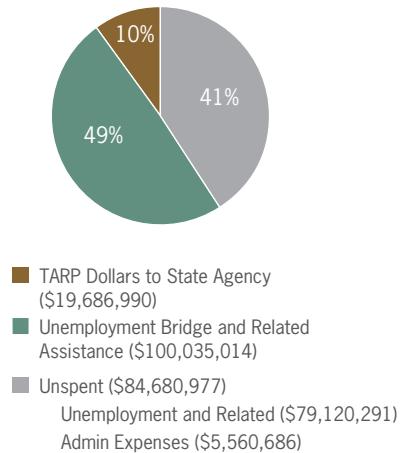


Source: SIGTARP, Audit Report: "Waste and Abuse in the Hardest Hit Fund in Nevada", 9/9/2016, [https://www.sigtarp.gov/Audit%20Reports/HHF%20Nevada\\_090916.pdf](https://www.sigtarp.gov/Audit%20Reports/HHF%20Nevada_090916.pdf), accessed 10/16/2017; Treasury, HFA Aggregate Report Q2 2017.

- Only 34% of all people who applied got HHF help, despite the state's persistently high mortgage delinquencies, foreclosures and unemployment.

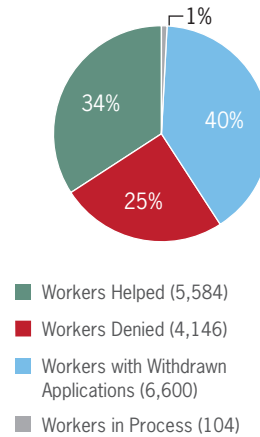
- Nevada has spent \$19.7 million on administrative expenses which accounts for 16% of the all the state's HHF spending, higher than the national average of 10.5%.
- Nevada's HHF program has seen 40% of homeowners withdraw their application or have their application withdrawn for them. This is among the highest in the country, as 6,600 of the 16,434 homeowners who applied for HHF assistance in Nevada have withdrawn or been withdrawn by the program.

FIGURE 4.25  
HARDEST HIT FUND – USE OF FUNDS IN NEVADA, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.26  
STATUS OF NEVADA HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

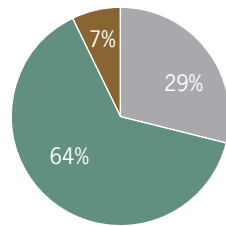
## MHA in Nevada

- 17,834 Nevada homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Nevada: Ocwen Loan Servicing LLC, Nationstar Mortgage LLC, Wells Fargo Bank N.A., Bank of America N.A., Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Seterus Incorporated, Ditech Financial LLC, Specialized Loan Servicing LLC, and U.S. Bank National Association.
- 39% of all Nevadans (14,437) have been canceled out of the program.

### HHF in New Jersey

- HHF has helped 7,180 New Jersey homeowners.
- Only 24% of those who applied for assistance last year received it.
- The New Jersey agency spent \$31.4 million on its own salaries and expenses. SIGTARP's audit found that the New Jersey agency spent \$1,585 in HHF funds on unnecessary expenses, including: \$472 at Land & Sea Restaurant, \$836 at Italian Peoples Bakery, \$277 at Italian Peoples Bakery.

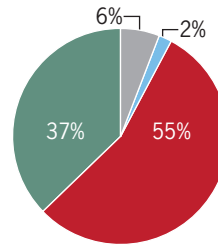
FIGURE 4.27  
HARDEST HIT FUND – USE OF FUNDS IN NEW JERSEY, AS OF 9/30/2017



- TARP Dollars to State Agency (\$31,390,627)
- Homebuyer Assistance (\$1,344,000)
- Unemployment Bridge and Related Assistance (\$268,732,607)
- Unspent (\$120,458,046)
- Unemployment and Related (\$92,162,683)
- Admin Expenses (\$13,639,363)
- Homebuyer Assistance (\$14,656,000)

Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.28  
STATUS OF NEW JERSEY HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



- Workers Helped (7,180)
- Workers Denied (10,833)
- Workers with Withdrawn Applications (400)
- Workers In Process (1,085)

Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

### MHA in New Jersey

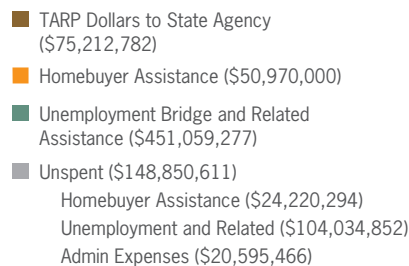
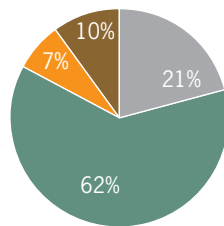
- 35,980 New Jersey homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in New Jersey: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Ditech Financial LLC, Bank of America N.A., Seterus Incorporated, Specialized Loan Servicing LLC, and Bayview Loan Servicing LLC.
- 43% of all New Jersey homeowners (31,268) have been canceled out of the program.

## HHF in North Carolina

- The North Carolina agency spent \$75.2 million on its own salaries and expenses. SIGTARP's audit found that the North Carolina agency spent \$107,821 in HHF funds on unnecessary expenses, including: \$2,830 spent on four catered barbeques and other food with Treasury employees, \$8,219 on parties, picnics, celebrations, and outings, including, for example, a Valentine's day party with décor and food, steak and seafood dinners, regular employee meals, and balloons, candles, cakes and cupcakes to celebrate the milestone of the number of homeowners helped, \$18,091 on employee cash bonuses, \$1,965 on VISA gift cards and other gifts including \$1,113 on customized Lands' End shirts and a \$50 CVS gift card to recognize new HHF Funding in 2016, \$8,880 on gym memberships, \$14,124 for employee breakfasts, lunches and dinner sometimes with external parties; and \$53,712 for food and other costs at events with housing counselors, including a 'celebration' of counselors that included \$400 in virgin cocktails, \$200 in mini cupcakes and a \$770 gratuity.

FIGURE 4.29

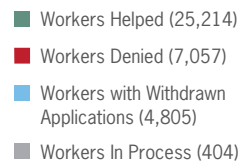
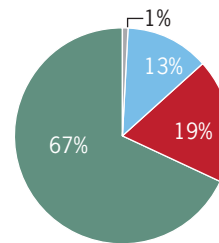
HARDEST HIT FUND – USE OF FUNDS IN NORTH CAROLINA, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.30

STATUS OF NORTH CAROLINA HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in North Carolina

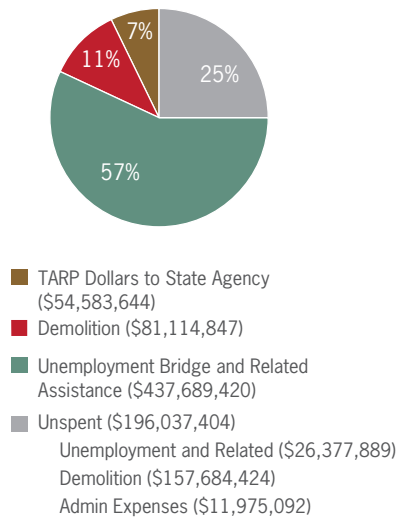
- 20,112 North Carolina homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in North Carolina: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Bank of America N.A., Ditech Financial LLC, MidFirst Bank, Seterus Incorporated, and Specialized Loan Servicing LLC.
- 42% of all North Carolinians (18,033) have been canceled out of the program.

## HHF in Ohio

The Ohio agency has apportioned \$158 million in unspent TARP dollars for blight demolitions and is less focused on helping homeowners with HHF. For example:

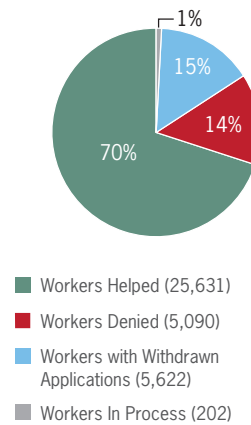
- The \$238 million TARP-funded demolition program in Ohio, has demolished 5,973 abandoned houses using \$81 million, since August 2013. This is the second highest number of demolitions in the HHF program. During the past year, HHF Ohio has demolished 2,551 houses.
- During the past year, HHF Ohio approved 1,098 homeowners for HHF assistance. There were 25,276 homeowners that lost their homes to foreclosure last year.
- While the Ohio state agency assisted 25,631 Ohio homeowners with HHF, it has not helped nearly one out of every three applicants.
- The Ohio agency has been paid \$54.6 million for its own salaries and expenses and is slated to be paid an additional \$12 million for its expenses. SIGTARP found that the Ohio agency spent \$204,522 in HHF funds on unnecessary expenses, including: \$127,932 spent on fleet of “TARP cars” and a \$90-110 monthly payment to employees for transportation, \$63,432 on unemployment payments to former employees, \$13,158 on events with housing counselors, including paid admission at one zoo and breakfast and lunch at three other zoos.<sup>20</sup>

FIGURE 4.31  
HARDEST HIT FUND – USE OF FUNDS IN OHIO, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.32  
STATUS OF OHIO HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

**MHA in Ohio**

- 24,020 Ohio homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Ohio: Ocwen Loan Servicing LLC, Select Portfolio Servicing Inc., Nationstar Mortgage LLC, Wells Fargo Bank N.A., JPMorgan Chase Bank NA, Ditech Financial LLC, Bank of America N.A., U.S. Bank National Association, MidFirst Bank, and Specialized Loan Servicing LLC.
- 41% of all Ohio homeowners (19,546) have been canceled out of the program.

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
Cuyahoga	\$57,390,852	Cleveland		\$25,821,372	1,976 (252)
		East Cleveland		\$1,925,286	141 (12)
		Garfield Heights		\$506,485	38
		Maple Heights		\$371,941	26
		Cleveland Heights		\$315,065	25 (1)
		Euclid		\$232,341	18 (1)
		Newburgh Heights		\$77,947	6
		Warrensville Heights		\$55,007	4
		South Euclid		\$23,616	2
		Shaker Heights		\$12,525	1
		Unknown	The Opal Industrial Group, LLC		
			Midtown Demolition		
			Lawrence Properties & Rehab. Inc		
			A&D Contracting		
			Paran Consulting		
			ABC Construction, LLC		
			King's Sons 820, Inc.		
			Aero Abatement Services, Inc		
			Lightning Demolition		
			AL's Home Repair Services		
			OBON		
			American Metal and Wood Salvage, Inc.		
			SafeAir Contractors		
			American Railroad Tie & Stone Co		
			XL Excavating		
			AMJ Construction		
			Kurtz Brothers, Inc		
			AMW Salvage		
			Liberty Tire Recycling		
			Arbor Pro Tree Care		
			m.a.c. Paran Consulting		
			Arick's Services		
			New Vista Enterprises		

Continued on next page



**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Baumann Enterprises, Inc.		
			Operation Clean Sweep		
			Behr Geo Environmental LLC		
			Precision Environmental Co		
			Beneficial Properties Inc.		
			The Afco Group		
			Broadway D&R		
			Urban Recycling 216		
			Carey Roofing and Construction Corporation		
			Jubilee Excavation		
			CarTeCor Management LLC		
			Kingsway Contracting		
			Chemtron Corporation		
			L & S Lab Consulting Inc.		
			Cherokee Demolition		
			Lee Environmental Cleaning LLC		
			CLB Services LLC		
			Lightening General Contractors		
			Coleman Trucking Inc		
			M & R Industries, Inc.		
			Contracting C & J Contractors Inc		
			Mark Brookins/Ginmark Inc.		
			Danzey Landscaping, Inc.		
			Miles Builders		
			ETA Development Inc.		
			O.B.O. Demolition and Construction		
			Everest Land Title Agency Inc.		
			One Reliable Home Solutions		
			Expert Reclaim Inc		
			Otis Maintenance		
			Foresight EHS		
			Partners Environmental Consulting Inc.		
			Glenn A Smith Sr Consulting		
			R.C.I. Services		
			Great Lakes Contracting		
			T & T Demolition		
			HEZ Enterprises LLC		
			The Barker Group		
			Hooks Landscaping & Snow Plowing, LLC		
			Uptown Environmental Services LLC		
			Integrity Environmental Development, LLC		
			Vlora Construction Inc.		

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**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			JF Construction and Environmental LLC		
			23823 Ltd LLC		
			JJK Envrinmental Cleaning		
Lucas	\$27,254,945	Toledo		\$11,824,165	1,148 (192)
		Dayton		\$14,505	1
		Unknown	TJRS-LLC		
			Paxton Demolition		
			All Aspects		
			City of Toledo		
			SL Hauling & Renovations LLC		
			Diamond Environmental		
			TTL Associates Inc.		
			E&H Taylor Construction, Inc.		
			Mike's Hauling and Demolition		
			ESI Ecological Services, Inc		
			PB Fabrication & Dismantling		
			Hazcorp Environmental Services, Inc.		
			T. Smidi Hauling		
			J Walker Construction		
			Total Environmental Services, LLC		
			Jackson Industries Corp.		
			Wes Boykin Trucking		
			LCLRC Holdings LLC		
			Midwest Environmental Control, Inc.		
Franklin	\$20,868,366	Columbus		\$8,142,206	515 (94)
			North American Environmental Services, LLC		
			Lowendick, LLC		
			Savaas or Sawvas Ramone LLC		
			Hina Environmental Solutions, LLC		
			Master Renovations		
			J. Harris Construction		
			Ransom Company		
			Keramida		
			DSS Services LLC		
			Watson General Contracting		
			KN Excavation		
		Whitehall		\$15,484	1
		Unknown	McDaniel's Construction Corporation, Inc.		
			Savaas or Sawvas Ramone LLC		
			Poindexter Community Renaissance LLC		
			City of Columbus		

Continued on next page

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)		
Montgomery	\$17,897,139	Dayton	Luper Neidenthal & Logan	\$5,128,507	312 (1)		
			Colvin Gravel Company				
			North American Environmental Services, LLC				
			CTL Engineering, Inc.				
			Rain Brothers, LLC				
			Demo Construction, LLC				
			Watson General Contracting				
			Department of Development; City of Columbus				
			McCall and Spero Environmental Inc.				
			DSS Services LLC				
			Miles-McClellan Construction Company, Inc.				
			Egner Construction				
			Ohio Technical Service, Inc.				
			Franklin County, Ohio				
			R3 Inc				
			Friends of the Hilltop				
			Ransom Company				
			H & H Environmental				
			Superior Enterprises Unlimited LLC				
			Hina Environmental Solutions, LLC				
Bronze Star Construction							
Lowendick, LLC							
Montgomery	\$17,897,139	Trotwood		\$67,694	4		
		Unknown	Bladecutters Lawn Service, Inc.	\$2,579,925	177 (11)		
Sierra Environmental Group, Inc.							
Ohio Technical Service, Inc.							
Central Insulation Systems							
The Evans Group							
Charles Jergens Construction							
Montgomery County Clerk of Courts							
Chicago Title Company, LLC							
Rainbow Home Environmental Services							
City of Dayton							
Tall View Palladium Inc.							
Coolidge Wall Co							
Turn-Key Environmental Consultants, Inc.							
CountyCorp							
Hart Environmental Resources							
Mahoning	\$14,814,254	Youngstown				\$2,579,925	177 (11)
		Struthers				\$279,855	17

Continued on next page

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
		Campbell		\$278,027	18
		Boardman		\$54,560	5
		Unknown	Safeguard Title Agency		
			White Inc. Associates		
			Steve Biroshak		
			Battle Axe Construction LLC		
			Ron's Tree & Lawn Service, Inc.		
			Canfield Fence Company		
			SKW Prep, LLC		
			Capital Title Services., Inc.		
			Upscale Landscaping & Lawn Maintenance Inc.		
			Cyclone Services, Inc.		
			Adamczak LLC		
			Environmental Protection Systems LLC		
			SAFECO Environmental, Inc.		
			Howland Company, LLC		
			Siegel Excavating LLC		
			Lien Forward Ohio		
			Sly's Landscaping		
			Logan Creek LLC		
			Triple-Diamond Trucking & Excavating, LLC		
			Mahoning County Prosecuting Attorney		
			Western Reserve Title & Escrow Inc.		
			McCall and Spero Environmental, Inc.		
			Youngstown Neighborhood Development		
			MCM Services (Maximus Consulting LLC)		
			Metro Land Title Agency, Inc.		
Trumbull	\$12,786,103	Warren		\$2,609,946	223 (22)
		Girard		\$81,850	5 (5)
		Niles		\$24,967	2 (2)
		Mineral Ridge		\$23,826	1 (1)
		Unknown	ABS Environmental, Inc.		
			South Park Title Agency, Inc.		
			M & R Industries, Inc.		
			Baumann Enterprises, Inc.		
			Trumbull County Legal News		
			Diamond Environmental		
			Jireh Properties, LTD		
			Harrington House & Gardens		
			Schubert Title Agency, Inc.		
			Hoffman & Walker Co. LPA		

Continued on next page

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			The Title Company of Warren		
			Holton Inc		
			Valley Title & Escrow Agency, Inc.		
			Howland Company, LLC		
			HZW Environmental Consultants LLC		
Stark	\$12,122,446	Canton		\$3,659,255	232 (15)
		Alliance		\$396,546	29
		Massillon		\$39,645	4
		Unknown	The Dell Group, Inc.		
			Paramount Inc.		
			Howland Company, LLC		
			american title associates agency., Inc		
			SAG Construction		
			Analytical Services		
			Al's General Building Contractor, LLC		
			AWI, Inc.		
			L & L General Contractors		
			Bertolini Trucking		
			PS Construction		
			Boswell Concrete, Inc.		
			Steve Martin Construction		
			Campbell Excavating		
			Title One Agency, Inc.		
			Cardinal Environmental Services, Inc.		
			Heritage Union Title		
			City of Canton		
			John D. Ferrero		
			Cottrill Wrecking		
			Moore Title Group		
			CRS General Contracting		
			Phillip Schandel		
			Cutler Homes		
			Quality Care Construction		
			Danmar Services		
			Stark County Clerk of Courts		
			DCV Construction		
			T & L Pest Control		
			DDH Construction		
			The Press News		
			Emerald Environmental, Inc.		
			Urban Green Solutions		

Continued on next page

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			FER Title Agency, LLC		
			HEPA Environmental Services Inc.		
Hamilton	\$9,784,383	Cincinnati		\$4,201,998	202 (7)
		Unknown	Logan Creek LLC		
			SRW Environmental Services, Inc.		
			R & J Construction Services		
			Battle Axe Construction LLC		
			Lawn Life		
			Building Value, LLC		
			Port of Greater Cincinnati Development Authority		
			City of Cincinnati Code Enforcement		
			Rainbow Environmental Services		
			Fiscus Trucking & Excavating, Inc.		
			Allgeier and Sons Inc		
			Just Right Construction & Lawn Care Service		
Summit	\$9,551,271	Akron		\$2,056,268	132
		Barberton		\$35,264	3 (3)
		Unknown	TRW Construction LLC		
			Perkins Lawn Maintenance		
			Mark Hostetler Masonry Contractor		
			Akron Legal News		
			Summit County Clerk of Courts		
			Assured Abatement Removal		
			Jim Gangle Bulldozing & Excavating Co Inc		
			Butcher and Son, Inc.		
			Obsidian Environmental Corp		
			Cardinal Environmental Services, Inc.		
			Ray Bertolini Trucking Co		
			CLB Services LLC		
			The Dell Group, Inc.		
			Development Finance Authority of Summit County		
			AC Lawncare & Landscaping		
			Diamond Environmental		
			M & R Industries, Inc.		
			Diamond Services, Inc.		
			Minnesota Insured Title		
			Emerald Environmental, Inc.		
			Partners Environmental Consulting Inc.		
			First Security Title Corporation		
			Quality Landscape Services		

Continued on next page

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Foresight EHS		
			SafeAir Contractors		
			GCS Industrial Services, Ltd		
			Taylor Companies of Ohio		
			Habitat for Humanity of Summit County		
			Titanium Title Agency, LLC		
			HEPA Environmental Services Inc.		
			Zollinger Sand & Gravel Co		
			Howland Company, LLC		
			HzW Environmental Consultants LLC		
Lorain	\$4,631,034	Lorain		\$2,015,039	109
		Elyria		\$883,310	52
		Unknown	Diamond Services, Inc.		
			Old Republic National Title Insurance Company		
			JP Environmental Consulting, Inc.		
Lawrence	\$4,631,034	Ironton		\$86,403	8 (8)
		Proctorville		\$8,801	1 (1)
Allen	\$4,500,000	Lima		\$290,704	17 (17)
		Delphos		\$15,843	1 (1)
		Elida		\$12,506	1 (1)
Ashtabula	\$4,350,769	Ashtabula		\$1,191,513	69 (11)
		Conneaut		\$138,683	8 (3)
		Unknown	McCall and Spero Environmental, Inc.		
			Monit-Air Group Inc.		
			Medico Systems Inc		
			Ashtabula County Port Authority		
			Adams Services Inc.		
			Lower Cork Co.		
Butler	\$4,316,397	Hamilton		\$1,053,024	75 (1)
		Unknown	Timothy W. Carlson Attorney		
			Watson Gravel Inc		
			Vickers Demolition		
			Humble Environmental Service		
			Evans Landscaping		
			S/R Industries aka Sharon Roth		
Richland	\$3,764,735	Mansfield		\$1,131,947	96 (6)
		Shelby		\$49,953	3 (1)
		Unknown	Rex's Landscaping & Construction, LLC.		
			Accurate Key & Lock Service		
			Southern Title of Ohio, Ltd.		
			Certified Environmental, Inc.		

Continued on next page

## OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Page Excavating, Inc.		
			Chem-Tech Consultants, Inc.		
			Richland County Habitat for Humanity		
			H & T Demolition		
			Wallace Turf Care		
			Lowes Home Centers, LLC		
			Ours Excavating		
Columbiana	\$3,218,750	East Liverpool		\$335,332	18
		Wellsville		\$267,215	19 (13)
		Salem		\$112,232	6
		Unknown	Yarian Brothers Construction, Inc.		
Scioto	\$2,725,000	Portsmouth		\$99,263	7 (6)
		West Portsmouth		\$13,859	1 (1)
Clark	\$2,053,627	Springfield		\$873,780	55 (6)
		Unknown	Law Office Mark F. Roberts		
			Bonnie's Nursery & Garden Center		
			Perry's Lawncare & Landscaping		
			Clark County Auditor's Office		
			KC Fencing Unlimited LLC		
			Clark County Clerk of Courts		
			Neighborhood Housing Partnership of Greater Springfield, Inc.		
			Clark County Community Development		
			Tony Smith Wrecking		
			EHS Laboratories		
			Huffman Tree Company LLC		
Erie	\$1,519,574	Sandusky		\$248,635	17 (5)
		Berlin Heights		\$14,296	1 (1)
		Unknown	Stone Environmental, LLC		
			Holcomb Enterprises LLC		
			Fairfield		
			Great Lakes Demolition Co.		
Jefferson	\$1,462,897	Steubenville		\$212,484	14 (1)
		Smithfield		\$79,447	5
		Mingo Junction		\$77,705	5
		Dillonvale		\$59,222	5
		Adena		\$50,112	4
		Rayland		\$30,779	2
		Brilliant		\$14,910	1
		Empire		\$12,370	1
		Unknown	Littlejohn Law, LLC		
			X-Treme Demolition		

Continued on next page



**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
			Raze International, Inc		
			CT Consultants		
			Lawrence T. Piergallini		
			D&L Unlimited Construction		
			Office of the Prosecuting Attorney		
			Dave Buckmaster Plumbing & Heating		
			Thomas Wilson		
			Jefferson County Auditor		
			Bruzzese & Calabria Attorneys at Law		
			Jefferson County Regional Planning Commission		
Licking	\$1,400,000	Newark		\$98,731	7 (1)
		Buckeye Lake		\$41,144	4 (4)
Lake	\$1,250,000	Painesville		\$207,157	12
		Madison		\$79,518	4
		Mentor		\$60,871	3
		Wickliffe		\$40,939	2
		Eastlake		\$35,971	2
		Willoughby		\$25,000	1
		Madison Township		\$21,242	1
		Fairport Harbor		\$11,917	1
		Mentor on the Lake		\$9,884	1
		Unknown	Pillar Excavating		
			JMW Trucking		
			Jim Hall Tree Service		
			Conway Land Title Company		
			Lake Erie Lawn Service		
			Crisp Analytical, LLC		
			Blackmore's Security Inc		
			Cuyahoga HHF Acquisitions, LLC		
Fairfield	\$895,966	Lancaster		\$357,623	21 (1)
		Thornville		\$11,935	1
		Unknown	Vinton County National Bank		
			LEPI Enterprises Inc		
			Krikbride Lawn Care		
			Fairfield County Clerk of Courts		
			Ricketts Excavating, Inc.		
			Fairfield County Port Authority		
			Fairfield County Treasurer		
			Fairhaven Lawn Care		
Belmont	\$635,193	Martins Ferry		\$56,833	4
		Bellaire		\$53,842	4

Continued on next page

**OHIO HHF BLIGHT ELIMINATION - KNOWN CONTRACTORS**

County	Available TARP Dollars	City	Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
		Bridgeport		\$27,021	2
Portage	\$600,000	Ravenna		\$174,600	13
		Kent		\$71,823	4
		Atwater		\$47,819	4
		Deerfield		\$43,965	3
		Windham		\$31,413	3
		Mantua		\$18,650	1
		Garrettsville		\$13,159	1
				Unknown	Woodford Excavating LLC Neighborhood Development Services, Inc. Butcher and Son, Inc. Diamond Environmental
Williams	\$500,000	Bryan		\$10,521	1
Van Wert	\$500,000	Van Wert		\$82,809	4 (4)
Additional Known Contractors (Statewide)			Brothers		
			C&J Contractors, Inc.		
			CleanTurn International LLC		
			Cleveland Industrial Recycling Inc.		
			Consolidated Services & Management		
			DDJ's Lawncare Service LLC		
			DON'T MOW		
			EBA		
			Ginmark, Inc.		
			Homes on the Hill		
			Ibar Home Maintenance		
			Lawn Appeal		
			Metropolitan Community Services - T.O.U.C.H.		
			Mowtivation Lawn Services LLC		
			Red Rock Services, LTD		
			Shining Company		
			St. Stephen's Community House		
		Truckco LLC			
		Yah's Construction LLC			
<b>Grand Total</b>	<b>\$225,424,735</b>			<b>\$81,869,826</b>	<b>5,973 (712)</b>

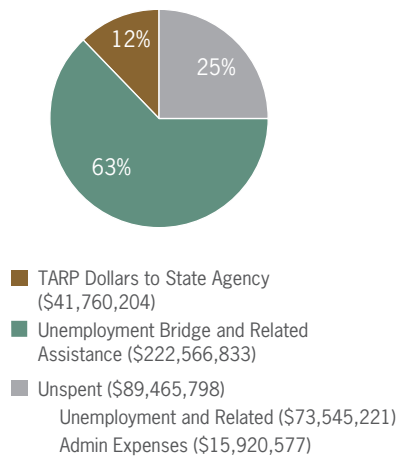
Source: Ohio Homeowner Assistance, LLC

Note: Due to reporting date differences, figures may vary from Treasury's published reports. Of the \$238,799,270 allocated to the blight program, \$225,424,735 has been assigned to individual localities / partners, the remainder appears to be unassigned and available for use.

## HHF in Oregon

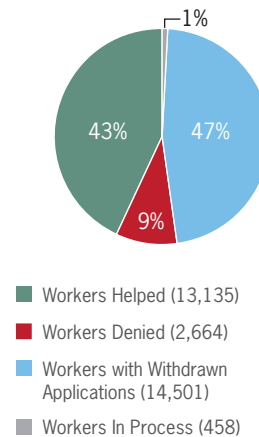
- HHF Oregon has provided assistance to 13,135 Oregon homeowners.
- 14,501 of the homeowners seeking help from HHF in Oregon have had their application withdrawn.
- The Oregon agency has spent \$41.8 million on its own salaries and expenses. SIGTARP’s audit found that the Oregon agency spent \$165,995 in HHF funds on unnecessary expenses, including: \$430 on restaurant lunches with Treasury employees, including coffee pastries and desserts, and twice for lunch for their staff to celebrate after Treasury’s audit, \$84,256 spent to settle a former employee’s wrong termination litigation and the legal claims of two other terminated employees, \$79,742 spent on unemployment payments to former employees, \$1,567 on food and beverages, including lunch at Newport Seafood Grill with Bank of America staff.<sup>20</sup>

FIGURE 4.33  
HARDEST HIT FUND – USE OF FUNDS IN OREGON, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.34  
STATUS OF OREGON HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Oregon

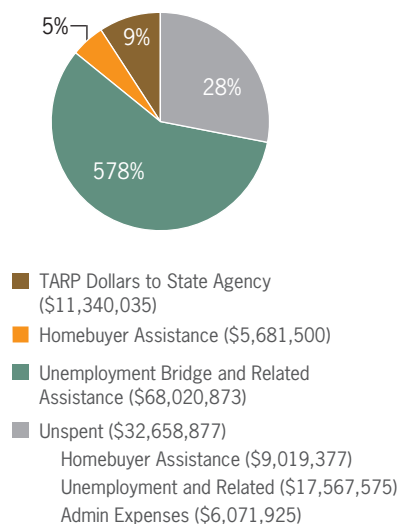
- 9,458 Oregon homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Oregon: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Bank of America N.A., Ditech Financial LLC, Seterus Incorporated, Specialized Loan Servicing LLC, and U.S. Bank National Association.
- 33% of all Oregon homeowners (6,334) have been canceled out of the program.

## HHF in Rhode Island

- HHF Rhode Island has helped 3,253 Rhode Island homeowners and closed its initial HHF program after only two years.
- The state agency has provided assistance to 447 first-time homebuyers who applied for HHF down payment assistance, paying up to \$7,500 each.
- SIGTARP's audit found that the Rhode Island agency spent \$1,238,228 in HHF funds on unnecessary expenses, including: \$1,031,310 spent for the full cost -- despite the centers use for non-HHF programs -- to build out a new customer center with a new kitchen and furniture, backdated 'storage' costs in the agency's own building while HHF was closed, \$114,596 on a monthly \$105 payment to each employee to defray parking and transportation costs, \$14,994 on severance to former employees, \$75,703 on unemployment payments to former employees, \$1,625 on food and beverages, including at meetings with lenders and trainings with counselors.<sup>20</sup>

FIGURE 4.35

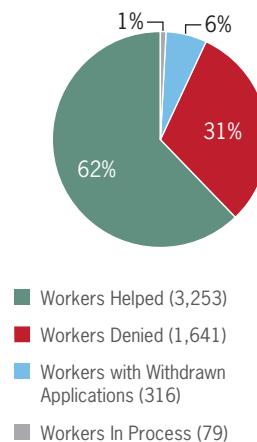
HARDEST HIT FUND – USE OF FUNDS IN RHODE ISLAND, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.36

STATUS OF RHODE ISLAND HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Rhode Island

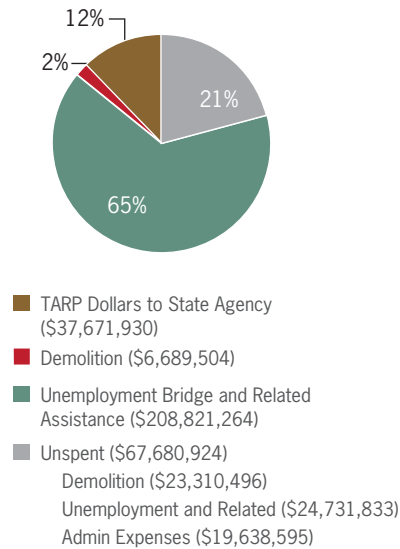
- 4,640 Rhode Island homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Rhode Island: Ocwen Loan Servicing LLC, Nationstar Mortgage LLC, Select Portfolio Servicing Inc., Wells Fargo Bank N.A., JPMorgan Chase Bank NA, Bank of America N.A., Ditech Financial LLC, Seterus Incorporated, Specialized Loan Servicing LLC, and Citizens Bank N.A.
- 42% of all Rhode Island homeowners (3,865) have been canceled out of the program.

### HHF in South Carolina

The South Carolina agency has apportioned \$23.3 million in unspent TARP dollars for demolitions and has \$24.7 million unspent on direct assistance to homeowners. For example:

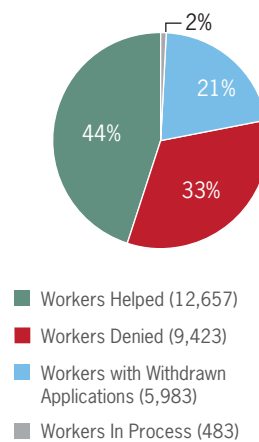
- The \$30 million TARP-funded demolition program in South Carolina has demolished 262 abandoned homes using \$6.7 million since the fourth quarter of 2013. During the past year, HHF South Carolina has demolished 203 houses.
- HHF has helped 12,657 South Carolina homeowners.
- The South Carolina agency has been paid \$37.7 million for its own salaries and expenses, and is slated to be paid an additional \$19.6 million for expenses.
- SIGTARP found that the South Carolina agency spent \$49,402 in HHF funds on unnecessary expenses, including: \$20,627 spent on an executive’s use of a car for more than four years, \$12,735 for food and beverages at annual meetings with legislative staff and at training events, \$16,040 on employee bonuses.
- After SIGTARP’s audit, South Carolina moved \$6 million planned for their salaries and other expenses to open a new down payment assistance program.<sup>20</sup>

FIGURE 4.37  
HARDEST HIT FUND – USE OF FUNDS IN SOUTH CAROLINA, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.38  
STATUS OF SOUTH CAROLINA HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

### MHA in South Carolina

- 10,070 South Carolina homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in South Carolina: Ocwen Loan Servicing LLC, Wells Fargo Bank N.A., Nationstar Mortgage LLC, Select Portfolio Servicing Inc., JPMorgan Chase Bank NA, Ditech Financial LLC, Bank of America N.A., Seterus Incorporated, Specialized Loan Servicing LLC, and MidFirst Bank.
- 42% of all South Carolinians (8,744) have been canceled out of the program.

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA**

Lead Entity	Available TARP Dollars	Local Partners	City	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)		
Catawba Regional Council of Governments	\$5,600,000	Catawba Regional Development Corp	Lancaster	Jones Grading and Fencing, Incorporated	\$489,012	18		
				4 Seasons Site and Demo, Inc	\$315,550	13 (6)		
				Unknown	\$34,817	1		
			Chester	4 Seasons Site and Demo, Inc	\$191,431	7		
			York	4 Seasons Site and Demo, Inc	\$187,160	6		
			Jonesville	4 Seasons Site and Demo, Inc	\$92,283	4 (2)		
			Union	4 Seasons Site and Demo, Inc	\$82,261	4		
			Heath Springs	Jones Grading and Fencing, Incorporated	\$25,548	1		
				4 Seasons Site and Demo, Inc	\$20,388	1		
			Great Falls	4 Seasons Site and Demo, Inc	\$35,000	1		
			Kershaw	4 Seasons Site and Demo, Inc	\$25,544	1		
			Lockhart	4 Seasons Site and Demo, Inc	\$18,606	1		
			Sharon	4 Seasons Site and Demo, Inc	\$17,594	1		
			Buffalo	4 Seasons Site and Demo, Inc	\$14,088	1		
			City of Columbia	\$5,315,000	Columbia Housing Authority Development, Inc.	Columbia	Unknown	\$587,152
Columbia Housing Development Corp	Columbia	Jones Grading and Fencing, Incorporated					\$276,667	1 (1)
		Carolina Trucking & Demolition Services, Inc.					\$63,764	2
		Unknown			\$24,797	1		
Eau Claire Development Corp	Columbia	Carolina Trucking & Demolition Services, Inc.			\$31,473	1		
Trinity Housing Corporation	Columbia	Unknown						
Columbia Development Corp	Camden	Unknown						
City of Sumter	\$3,429,204	Santee-Lynches Regional Development Corp.	Sumter	State Tree Service	\$241,995	11 (1)		
				Berry's Construction of Sumter	\$198,042	12 (2)		
				EnviroDemo Contractors	\$160,894	8		
				JMEC Construction LLC	\$72,299	3 (3)		
				Unknown	\$48,025	3		
Greenville County Redevelopment Authority	\$3,274,494	Nehemiah CRC	Greenville	Vaughn Excavating, LLC	\$91,234	3		
				Dem-Tek, LLC	\$35,000	1		
		Habitat for Humanity of Greenville County	Greenville	Manly Clean Up and Grading Services	\$63,850	2 (2)		
		Neighborhood Housing Corporation of Greenville, Inc.	Greenville	Manly Clean Up and Grading Services	\$34,441	1		
				Vaughn Excavating, LLC	\$24,973	1		
		United Housing Connections	Greenville	Dem-Tek, LLC	\$34,121	1		
		Homes of Hope, Inc	Greenville	Dem-Tek, LLC	\$30,442	1		
Greenville Revitalization Corp.	Laurens	Unknown						
Town of Estill	\$2,905,000	Southeastern Housing Foundation	Estill	Unknown				
City of Spartanburg	\$2,496,284	Northside Development Corp.	Spartanburg	Unknown	\$222,684	9		
				Smith's Trucking	\$134,502	7		
				Dem-Tek, LLC	\$61,419	4		

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA**

Lead Entity	Available TARP Dollars	Local Partners	City	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
				TLAQ K Contracting Services	\$52,732	2
				Blacks Grading Services, LLC	\$48,667	2
		Regenes Community Development Corporation	Spartanburg	Unknown	\$117,239	6
		Homes of Hope, Inc	Spartanburg	Unknown	\$68,828	3 (2)
				Blacks Grading Services, LLC	\$28,691	1
		Habitat for Humanity of Spartanburg, Inc.	Spartanburg	Unknown	\$36,055	2
		Nehemiah CRC	Spartanburg	Unknown	\$28,130	1 (1)
		Upstate Housing Partnership	Spartanburg	Unknown		
		Unknown	Spartanburg	S&ME		
				R&R Associates		
				Apex Environmental Management, Inc.		
				Asbestos & Demolition, Inc.		
				Rhino Demolition		
				Clipping Grounds		
				Summit Engineering Inc.		
				Eastern Environmental		
				NEO Corporation		
Anderson County	\$2,496,284	Pelzer Heritage Commission	Pelzer	Miller Construction	\$39,070	2 (2)
			Honea Path	Miller Construction	\$28,480	1 (1)
			Anderson	Unknown	\$21,829	1 (1)
City of Greenville	\$2,146,767	Genesis Homes	Greenville	Vaughn Excavating, LLC	\$105,000	3
				Soteria CDC	\$70,000	2
				Dem-Tek, LLC	\$68,852	2
				James E Jones Grading and Landscaping	\$26,394	1
		Homes of Hope, Inc	Greenville	Vaughn Excavating, LLC	\$70,000	2
		Neighborhood Housing Corporation of Greenville, Inc.	Greenville	James E Jones Grading and Landscaping	\$33,178	1
				Vaughn Excavating, LLC	\$29,067	1
		Habitat for Humanity of Greenville County	Greenville	Dem-Tek, LLC	\$48,720	2 (1)
		United Housing Connections	Greenville	Unknown		
		Allen Temple CEDC	Florence	Unknown		
		Nehemiah CRC	Greenville	Unknown		
City of Camden	\$1,645,969	Santee-Lynches Regional Development Corp.	Camden	4 Seasons Site and Demo, Inc	\$245,878	9 (9)
				Unknown	\$189,610	7 (1)
				TKO Demolition, LLC	\$145,385	7 (7)
				Berry's Construction of Sumter	\$22,429	1 (1)
Bamberg County	\$1,303,039	Southeastern Housing Foundation	Bamberg	Southeastern Construction and Development, LLC	\$42,726	2
City of Greenwood	\$825,000	Greenwood Area Habitat for Humanity	Greenwood	Unknown		
Allendale County	\$708,627	Southeastern Housing Foundation	Unkown	Unknown		

Continued on next page

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA**

Lead Entity	Available TARP Dollars	Local Partners	City	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)		
		Allendale County ALIVE	Unkown	Unknown				
City of Rock Hill	\$630,000	Housing Development Corporation of Rock Hill	Rock Hill	City of Rock Hill Neighborhood Division	\$192,844	8		
Town of Cheraw	\$577,767	Town of Cheraw CDC	Cheraw	Furr Grading & Paving	\$232,236	12		
				Unknown	\$138,698	7 (1)		
				4 Seasons Site and Demo, Inc	\$91,156	5		
City of Florence	\$571,456	Downtown Development Association	Florence	Unknown	\$25,904	2 (2)		
City of Charleston	\$490,000	Sea Island Habitat for Humanity	Camden	Unknown				
		PASTORS, Inc	Camden	Unknown				
City of Anderson	\$424,504	Nehemiah CRC	Anderson	Phillips Recoveries Inc	\$38,035	2 (1)		
				Unknown	Anderson	Miller Construction		
				Anderson CDC	Anderson	Dean Hunter & Company, Inc.		
				West Environmental		Phillips Recoveries Inc		
Genesis Homes	\$420,000	City of Laurens	Laurens	Unknown				
City of Hartsville	\$420,000	Darlington County Habitat for Humanity	Hartsville	Abbestos Inspections, Inc.				
City of Aiken	\$365,697	Second Baptist CDC	Aiken	Thompson Building & Wrecking Co. Inc.	\$208,730	7		
				Kendrick Clearing and Hauling, Inc.	\$34,785	1 (1)		
				Nehemiah CRC	Aiken	Kendrick Clearing and Hauling, Inc.	\$53,043	2 (2)
Metanoia	\$350,000	City of North Charleston	North Charleston	Unknown				
Town of Saluda	\$315,000	Christ Central	Saluda	Unknown				
Horry County	\$280,000	Habitat for Humanity of Horry County	Unknown	Unknown				
		Grand Strand Housing & CDC	Unknown	Unknown				
Town of Blackville	\$274,249	Southeastern Housing Foundation	Blackville	Southeastern Construction and Development, LLC	\$44,483	2		
		Blackville CDC	Blackville	Unknown				
Town of Williston	\$205,663	Southeastern Housing Foundation	Williston	Southeastern Construction and Development, LLC	\$13,924	1		
City of Myrtle Beach	\$140,000	Myrtle Beach Community Land Trust	Myrtle Beach	Southern Demolition	\$34,321	1 (1)		
Additional Known Contractors				Aiken Properties, Inc				
				Alternative Construction & Environmental Solution, Inc				
				ARM Environmental Services				
				Asbestos Inspections, LLC				
				Bennett Construction				
				Carolina Greens, Inc				
				Clean Air Engineering, LLC				
				Compliance Centre				
				Controlled Abatement Technologies LLC				
				Crossroads Environmental, LLC				

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**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN SOUTH CAROLINA**

Lead Entity	Available TARP Dollars	Local Partners	City	Demolition Contractors Receiving TARP	TARP Dollars to Date	Total Houses Demolished (Most Recent Quarter)
				D.H. Griffin Wrecking Co		
				Daniel Riddick & Associates		
				Daniel's Lawn Care		
				Demolition & Asbestos Removal, Inc.		
				Dennis Corporation		
				Digging Deep Construction, LLC		
				Duncan, LLC		
				East Coast Environmental		
				EDCS, Inc.		
				Engineer Design Construction Services, Inc.		
				Environmental Service Group		
				Environmental Techniques Corp		
				Faber Enterprises		
				G & P Construction, Hauling and Environmental		
				Greer Surveying & Mapping		
				HAN Construction and Management, LLC		
				Iseley Surveying Co., Inc.		
				Keck & Wood, Inc		
				Landmark Surveying, Inc		
				Mike Zabbagha		
				Morgan's Tree & Stump Removal		
				Morris Insulation and Environmental, Inc.		
				Palmetto Brush Control		
				Phoenix Appraisals, Inc		
				Powell's Trash Service, Inc.		
				Robert H. Lackey Surveying, Inc.		
				Roy Consulting Group Corp		
				Sam Avins Construction		
				Site Design, Inc.		
				Southern Craftsman Construction		
				Summit ECS, Inc		
				Summit ELT, Inc.		
				Summit Land Services		
				Survey & Abatement Services Inc		
				Sweatt Land Surveying, LLC		
				Trinity Abatement		
				Walker Land Surveying		
				Wilma's Pump and Tank Co. Inc.		
<b>Grand Total</b>	<b>\$37,610,000</b>				<b>\$6,662,171</b>	<b>262</b>

Source: South Carolina Housing Corporation data call response; <https://www.schousing.com/Home/NeighborhoodInitiativeProgram> (accessed 1/26/2018)

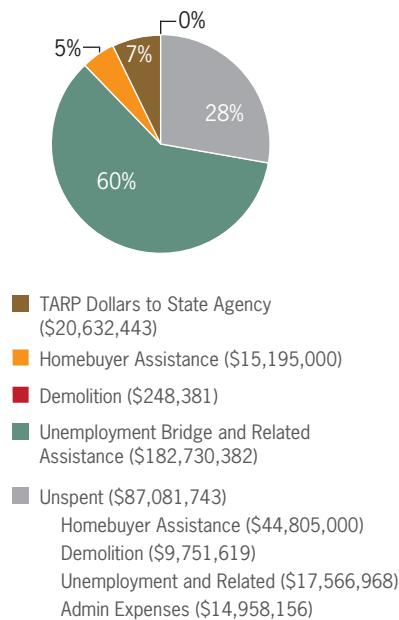
Note: Due to reporting date differences, figures may vary from Treasury's published reports. The South Carolina agency has been allocated \$30 million in TARP funds for blight demolition by Treasury, yet the total amount of TARP funds reported as allocated for blight demolition by the South Carolina agency is \$37.6 million.

## HHF in Tennessee

- HHF has helped 7,355 Tennessee homeowners.
- The Tennessee agency has demolished 15 blighted properties.
- The Tennessee agency has spent \$20.6 million on its own salaries and expenses. SIGTARP's audit found that the Tennessee agency spent \$5,985 in HHF funds on unnecessary expenses, including: \$5,558 spent on unemployment benefits, \$427 on food and beverages during a training.<sup>20</sup>

FIGURE 4.39

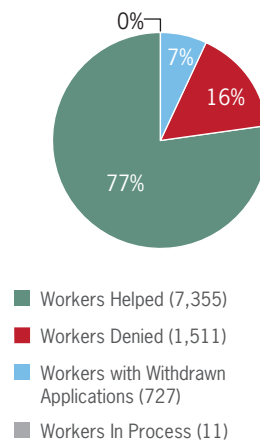
HARDEST HIT FUND – USE OF FUNDS IN TENNESSEE, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.40

STATUS OF TENNESSEE HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Tennessee

- 12,139 Tennessee homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Tennessee: Ocwen Loan Servicing LLC, Select Portfolio Servicing Inc., Wells Fargo Bank N.A., Nationstar Mortgage LLC, JPMorgan Chase Bank NA, Bank of America N.A., MidFirst Bank, Ditech Financial LLC, Specialized Loan Servicing LLC, and Seterus Incorporated.
- 44% of all Tennessee homeowners (11,524) have been canceled out of the program.

**TARP RECIPIENTS IN BLIGHT ELIMINATION PROGRAM IN TENNESSEE**

City / County	Local Partners	Contractors Receiving TARP	Disbursements to Partners, Program to Date	Total Houses Demolished (Most Recent Quarter)
Shelby County	United Housing Inc		\$81,137	7 (1)
	Jacob's Ladder CDC		\$80,443	4
	Healthy Transitions Development Group, Inc.			
	Neighborhood Preservation Inc.			
Madison County	Community Redevelopment Agency of Jackson Inc		\$50,000	2 (2)
Anderson County	Oak Ridge Land Bank		\$23,001	1 (1)
Hamilton County	Chattanooga Neighborhood Enterprise Inc		\$14,975	1
Davidson County				
Knox County				
Montgomery County				
Rutherford County				
Known Contractors		B&W Excavating		
		First Place Finish Inc		
		King Bradley Dozer Svcs		
		M&B Enterprise		
<b>Grand Total</b>			<b>\$249,556</b>	<b>15</b>

Source: Tennessee Housing Development Agency

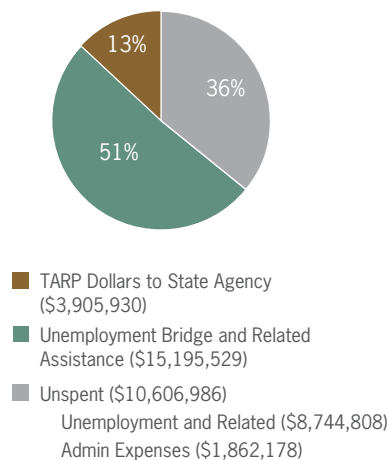
Note: Due to reporting date differences, figures may vary from Treasury's published reports.

## HHF in Washington, DC

- HHF has helped 787 homeowners.
- The Washington, DC, agency has spent \$3.9 million on its own salaries and expenses. SIGTARP's audit found that the Washington, DC agency spent \$259,017 in HHF funds on unnecessary expenses, including: \$258,333 spent to prepay for five years of avoidable online storage access and data two years after the HHF program was closed to homeowner applications, \$202 for a continental breakfast with Treasury employees, \$482 on breakfast and snacks during a training.<sup>20</sup>

FIGURE 4.41

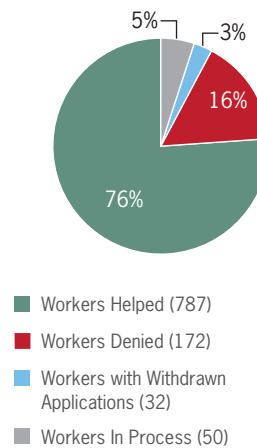
HARDEST HIT FUND – USE OF FUNDS IN WASHINGTON, DC, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017.

FIGURE 4.42

STATUS OF WASHINGTON, DC, HOMEOWNERS THAT APPLIED TO HHF, AS OF 9/30/2017



Source: Treasury, response to SIGTARP data call, 1/10/2017; Treasury, HFA Aggregate Report Q3 2017.

## MHA in Washington DC

- 1,647 Washington, DC, homeowners are currently in the HAMP program.
- The following financial institutions receive the vast majority of TARP dollars for HAMP in Washington, DC: Ocwen Loan Servicing LLC, Nationstar Mortgage LLC, Wells Fargo Bank N.A., JPMorgan Chase Bank NA, Select Portfolio Servicing Inc., Bank of America N.A., Ditech Financial LLC, Seterus Incorporated, Specialized Loan Servicing LLC, and CitiMortgage Inc.
- 38% of all Washington, DC, homeowners (1,287) have been canceled out of the program.

## REMAINING INVESTIGATIONS RELATED TO TARP BANKS

SIGTARP's criminal investigations have resulted in 56 bankers sentenced to prison. With dozens of additional bankers charged and SIGTARP continuing to support Justice Department prosecutions, more bankers are likely to be sentenced to prison in the future.

*56 bankers have been sentenced to prison because of SIGTARP*

SIGTARP's criminal investigations have resulted in the Justice Department and one state attorney general bringing criminal charges against 99 bankers, over half of which were in last four years. The TARP bank bailout continues with more than \$115 million in TARP outstanding in 35 banks.<sup>21</sup> SIGTARP's investigations have already resulted in criminal prosecutions in 7 of these banks, including Wilmington Trust, One Financial Corporation, Broadway Bank, Porter Bank, and Harbor Bank.

At this stage, with 99 bankers criminally charged resulting from SIGTARP investigations, SIGTARP has pushed to move its bank investigations into the prosecution stage. Without SIGTARP's focus, expertise and dedicated resources to support these prosecutions, many of the bankers who committed crimes in TARP banks might not be prosecuted.

### Investigation Updates

This quarter, there were significant achievements in prosecutions of bankers and others that SIGTARP investigated for crime related to the TARP bailout:

- The 99th banker was criminally charged resulting from a SIGTARP investigation, Tim Murphy of Excel Bank (discussed in detail below);
- A federal jury found two bankers from Sonoma Valley Bank, and a co-conspirator guilty after an eight-week trial, bringing the number of convicted bankers investigated by SIGTARP to 83 (discussed in detail below);
- Kirk Marsh, a former vice president at two TARP banks, was sentenced to 6 ½ years in prison for fraud and identity theft, including forging the signatures of senior bank officers to cause the fraudulent issuance of \$1.25 million in loans from Virginia Commerce Bank;
- A Mississippi man Thomas Comer Jr., pled guilty to defrauding Bank of Vernon, after obtaining a loan one week after the bank received TARP dollars, and later defrauding the bank by selling the collateral and keeping the sales proceeds; and
- Sentenced to 2 ½ years in prison was David Odom, a co-conspirator to Rodney Dunn, an official at the Harbor Bank (a current TARP bank) who was sentenced to 30 weekends of incarceration, and co-conspirator Darryl Clements who was sentenced to 1 ½ years in prison.

***Sonoma Valley Bank in California:*** Sonoma Valley Bank failed in August 2010, resulting in \$8.65 million in lost TARP dollars. This quarter, SIGTARP supported an eight-week jury trial, including having a SIGTARP agent testify at trial, in a case we investigated. The jury's verdicts resulted in the conviction of the bank's

former CEO Sean Cutting and former Chief Loan officer Brian Melland for conspiracy, bank fraud, wire fraud, money laundering, falsifying bank records, lying to bank regulators, and other crimes. The jury also found guilty co-conspirator David Lonich, an attorney for real estate developer Bijan Madjlessi who had been indicted before his death in 2014.

The evidence at trial demonstrated that CEO Cutting, Melland, and Lonich were involved in multiple schemes to defraud Sonoma Valley Bank, its regulators and other financial institutions. The schemes involved years of excessive and illegal lending to Madjlessi. The bank loaned Madjlessi or entities he controlled in excess of \$35 million, approximately \$24.7 million more than the legal lending limit set by bank regulators. To conceal the high concentration of lending to Madjlessi, Melland and Cutting recommended that the bank approve millions in loans to “straw” or nominee borrowers, giving Madjlessi \$8.6 million in proceeds from loans in the names of other borrowers.

Melland was also convicted of receiving a \$50,000 bribe from Madjlessi. One day after the bribe, Melland recommended a set of loans for \$3.65 million to a straw borrower controlled by Madjlessi. CEO Cutting and Melland were convicted of making false statements to bank examiners.

Madjlessi’s lawyer Lonich conspired with CEO Cutting and Melland to mislead the bank into lending millions more to Madjlessi in the name of straw borrowers so Madjlessi could illegally buy back a debt he owed to IndyMac. On May 6, 2014, approximately two months after he was indicted in the case, Madjlessi was found dead after a single-person car accident in a steep ravine in the Marin Headlands off Highway 1 in Marin County.

***Excel Bank in Missouri:*** Excel Bank failed in October 2012, resulting in nearly \$4 million in lost TARP dollars. As a result of a SIGTARP investigation, this quarter, Shaun Hayes, the controlling shareholder in Excel Bank’s bank holding company pled guilty to bank fraud and misapplication of Excel Bank funds. Hayes dramatically increased Excel Bank’s lending, including “Friend of Shaun” substandard loans that were approved absent the normal underwriting safeguards such as appraisals. Excel Bank’s executive vice president at the time of the scheme Tim Murphy was charged by criminal complaint this quarter, and pled guilty to bank fraud. Hayes admitted that he helped set up a loan to a straw party and caused \$906,000 of the proceeds of that loan to be paid to Centrue Bank to pay off a loan that he and his business associate Michael Litz had guaranteed, with Hayes’ interest concealed from Excel Bank. Hayes assisted in causing Excel Bank to make millions of dollars in loans to straw parties in order to cover the delinquent and substandard loans of another Michael Litz company. Hayes also admitted that he and Litz shared in the proceeds of another insider loan at Excel Bank, where his interest was concealed. Litz also pled guilty this quarter.

It is SIGTARP’s duty to protect taxpayers against crimes that undermine a core rationale for TARP investments in banks: lending to Americans. Without SIGTARP’s focus, expertise, and dedicated resources, many of these bankers who committed crimes in TARP banks might not be caught or prosecuted. We anticipate more arrests and more recoveries in our ongoing investigations.

## Significant Upcoming Criminal Trials from SIGTARP Investigations of TARP Bankers

For example<sup>i</sup>:

**Wilmington Trust:** In October, 2017, a trial was scheduled for criminal charges resulting from a SIGTARP investigation into Wilmington Trust Corporation. Four senior bank officers were indicted in 2015, President Robert V.A. Harra, CFO David Gibson, CCO William North, and Controller Kevyn Rakowski charged with concealing from the Federal Reserve, the Securities and Exchange Commission (SEC) and the investing public, the total quantity of past due loans on its books.

During the course of the alleged conspiracy, in February 2010, Wilmington Trust raised approximately \$273.9 million through a public stock offering. In November 2010, Wilmington Trust announced an agreement to be acquired by M&T Bank at a price of \$3.84 per share, a discount of approximately 46% from the bank's share price the prior trading day, and approximately \$9.41 per share less than at the time of Wilmington Trust's capital raise in February 2010. The decline in price from February represented a loss of \$204 million in total market value of the shares bought during the capital raise.

During jury selection, on October 10, 2017, Wilmington Trust resolved its indictment with DOJ and forfeited \$60 million. The court extended the trial of the President, CFO, CCO and Controller until March, 2018. Acting U.S. Attorney for Delaware, David Weiss, issued the following statement about the resolution:

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"Wilmington Trust Company (WT) has been a fixture in this community for more than 100 years. This is why the bank's decline and the fire sale acquisition by M&T Bank was such a significant development in this community; and why this office has invested substantial time, energy and resources in the investigation and prosecution of this case.

The United States Attorney's Office for the District of Delaware has reached a resolution with WT. The key terms, from our perspective, are as follows:

- WT admits that it agreed to submit Monthly Regulatory Reports to the Federal Reserve between October 2009 and July;
  - Those reports included past due loan information.
  - The past due loan numbers submitted to the Federal Reserve did not include past due loans that WT chose to "waive."
  - We say that those monthly reports were false. These facts and those set forth in the Civil Forfeiture Complaint filed earlier today, provide a basis to forfeit the proceeds of this unlawful activity.
- As a result, WT and the USAO have agreed to a total settlement amount of \$60,000,000, which credits WT with its prior payment to the SEC in the amount of \$16,000,000, and requires an additional forfeiture payment of \$44,000,000.
- Further, WT agrees to cooperate with the USAO moving forward. In return, the USAO has agreed to dismiss all criminal charges pending against WT, and the parties have agreed to exchange mutual releases.
- To function effectively, our financial markets require accurate disclosures—and regulators need to receive accurate information.

<sup>i</sup> An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty.

That didn't happen here.

We believe today's resolution accomplished three important objectives. First, we secured a substantial payment for victims who sustained losses as a result of what transpired. Second, WT accepted responsibility for its actions. And third, if possible, we wanted to avoid the collateral consequences of a criminal conviction for the bank, which could have resulted in the loss of jobs and revenue for our community.”

*David Weiss, Acting U.S. Attorney for Delaware*

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Three other Wilmington Trust bank officers have been convicted following SIGTARP's investigation including Vice President Joseph Terranova, Delaware Market Officer Brian Bailey, and Loan Officer Pete Hayes. Co-conspirator Dover real estate developer Michael Zimmerman (now deceased) was also indicted. Two co-conspirators were sentenced to prison. James Ladio, the former CEO of MidCoast Community Bank was sentenced to two years in prison and ordered to pay \$700,000 restitution. Salvatore Leone was sentenced to one year and one day in prison and ordered to pay \$784,568.

**Saigon National Bank:** In 2018, trials are scheduled for criminal charges resulting from a SIGTARP investigation. In December 2015, SIGTARP agents, with other Federal law enforcement authorities, arrested 15 defendants (and charged 20 defendants across three indictments) in Operation “Phantom Bank,” an alleged money laundering scheme for international narcotics trafficking and proceeds; some through Saigon National Bank. A total of 25 defendants have been indicted. The 109 page Federal Racketeer-Influenced and Corrupt Organizations Act (RICO) indictment against former bank CEO and President Tu Chau “Bill” Lu and others alleges that Lu orchestrated the scheme to launder \$3.75 million in drug proceeds.

The RICO count alleges that Lu and 5 other defendants were members of a criminal organization that was involved in narcotics trafficking and international money laundering in countries that included the United States, China, Cambodia, Liechtenstein, Mexico, and Switzerland. Saigon National Bank was one of 12 TARP banks to reject Treasury's request to send an observer to the bank's board meetings. Saigon National Bank exited TARP in April 2017.



## Strengthening Banks through Law Enforcement

The impact of law enforcement investigations of bank fraud and other unlawful conduct at banks is often out of the limelight, but is critical. At small and midsized banks, SIGTARP has learned how bankers hide fraud in cooked books, and the red flags that point to such crime. This expertise helps us find and investigate hidden crime quicker, as evidenced by the uptick in charged bankers in recent years.

*Law enforcement makes banks  
and the banking system stronger*

Bank examiners did not detect the crimes SIGTARP found, but in some cases they should have, given existing red flags. Forty two of the 56 bankers sentenced to prison were at failed or acquired banks, evidencing that fraud harms the safety and soundness of banks. Many of these prosecutions involved crime unrelated to the financial crisis, similar crimes can occur in times of economic recovery,

With the largest banks, our investigations and resulting Justice Department enforcement actions have had a deterrent impact and led to important industry changes to unlawful practices. These changes strengthen banks. SIGTARP's investigations and resulting Justice Department enforcement actions in Fiscal year 2016 and 2017 against Goldman Sachs, Morgan Stanley, and Ally Financial for misrepresentations in residential mortgage backed securities have led to increased due diligence of mortgage backed securities. Also as part of a Justice Department action, in 2017, Ally Financial closed down its securities business that had engaged in unlawful conduct.<sup>22</sup> SIGTARP's investigation resulting in the Justice Department's 2015 action against Fifth Third Bank for selling defective mortgages with false representations to the Department of Housing and Urban Development led to changes in its quality control program, and the termination of quality control management employees. At SunTrust Bank, unopened Home Affordable Modification Program (HAMP) application packages were piled so high in a room that the floor buckled. SIGTARP's investigation resulting in the Justice Department's 2014 action against SunTrust led to changes to prevent unlawful practices and removed a number of management employees.<sup>14</sup> Each of these changes made banks and the banking system stronger by reducing risk in problem areas that contributed to the crisis and the resulting TARP bailout. These changes reduce the likelihood that future taxpayer bailouts are needed.

## SIGTARP Investigations Related to Failed, Bankrupt or Defunct Later Acquired TARP Banks

SIGTARP investigations have resulted in criminal prosecutions related to 15 of 34 failed TARP banks. For the 34 TARP banks that failed, as shown in Table 4.1, Treasury suffered a full loss of the whole TARP investment or Treasury received a small amount in the liquidation of the failed bank. Treasury also suffered losses of unpaid TARP dividends owed by banks that failed.

TABLE 4.1

<b>BANKRUPT OR WITH FAILED SUBSIDIARY TARP BANKS AS OF 12/31/2017</b> <b>(\$ MILLIONS)</b>		
<b>Company</b>	<b>TARP Loss</b>	<b>SIGTARP Investigation</b>
CIT Group Inc., New York, NY	2,330.0	
UCBH Holdings Inc., San Francisco, CA	298.7	✓
Anchor Bancorp Wisconsin Inc.	110.0	✓
Midwest Banc Holdings, Inc., Melrose Park, IL	89.4	
Integra Bank Corporation, Evansville, IN	83.6	✓
First Place Financial Corporation	72.9	
Superior Bancorp, Inc., Birmingham, AL	69.0	✓
Tennessee Commerce Bancorp, Inc., Franklin, TN	30.0	✓
Princeton National Bancorp	25.1	✓
Rogers Bancshares, Inc.	25.0	
TCB Holding Company	11.7	
Cecil Bancorp, Inc., Elkton, MD	11.6	✓
Citizens Bancorp, Nevada City, CA	10.4	✓
Premier Bank Holding Company	9.5	
Sonoma Valley Bancorp, Sonoma, CA	8.7	✓
Syringa Bancorp	8.0	
GulfSouth Private Bank	7.5	✓
Western Community Bancshares, Inc., Palm Desert, CA	7.3	
Idaho Bancorp, Boise, ID	6.9	
Pierce County Bancorp, Tacoma, WA	6.8	✓
Premier Bancorp, Inc., Wilmette, IL	6.8	✓
Rising Sun Bancorp, Rising Sun, MD	6.0	
FPB Bancorp, Port Saint Lucie, FL	5.8	
Legacy Bancorp, Inc., Milwaukee, WI	5.5	
One Georgia Bank, Atlanta, GA	5.5	
Blue River Bancshares, Inc., Shelbyville, IN	5.0	
Pacific Coast National Bancorp, San Clemente, CA	4.1	
CB Holding Corp., Aledo, IL	4.1	✓
Investors Financial Corporation of Pettis County, Inc.	4.0	✓
Tifton Banking Company, Tifton, GA	3.8	✓
Gold Canyon Bank	1.6	
Fort Lee Federal Savings Bank	1.3	

Continued on next page

**BANKRUPT OR WITH FAILED SUBSIDIARY TARP BANKS AS OF 12/31/2017**  
 (\$ MILLIONS) (CONTINUED)

<b>Company</b>	<b>TARP Loss</b>	<b>SIGTARP Investigation</b>
Indiana Bank Corp.	1.3	
Gregg Bancshares, Inc.	0.9	
<b>Total</b>	<b>\$3,277.8</b>	<b>15</b>

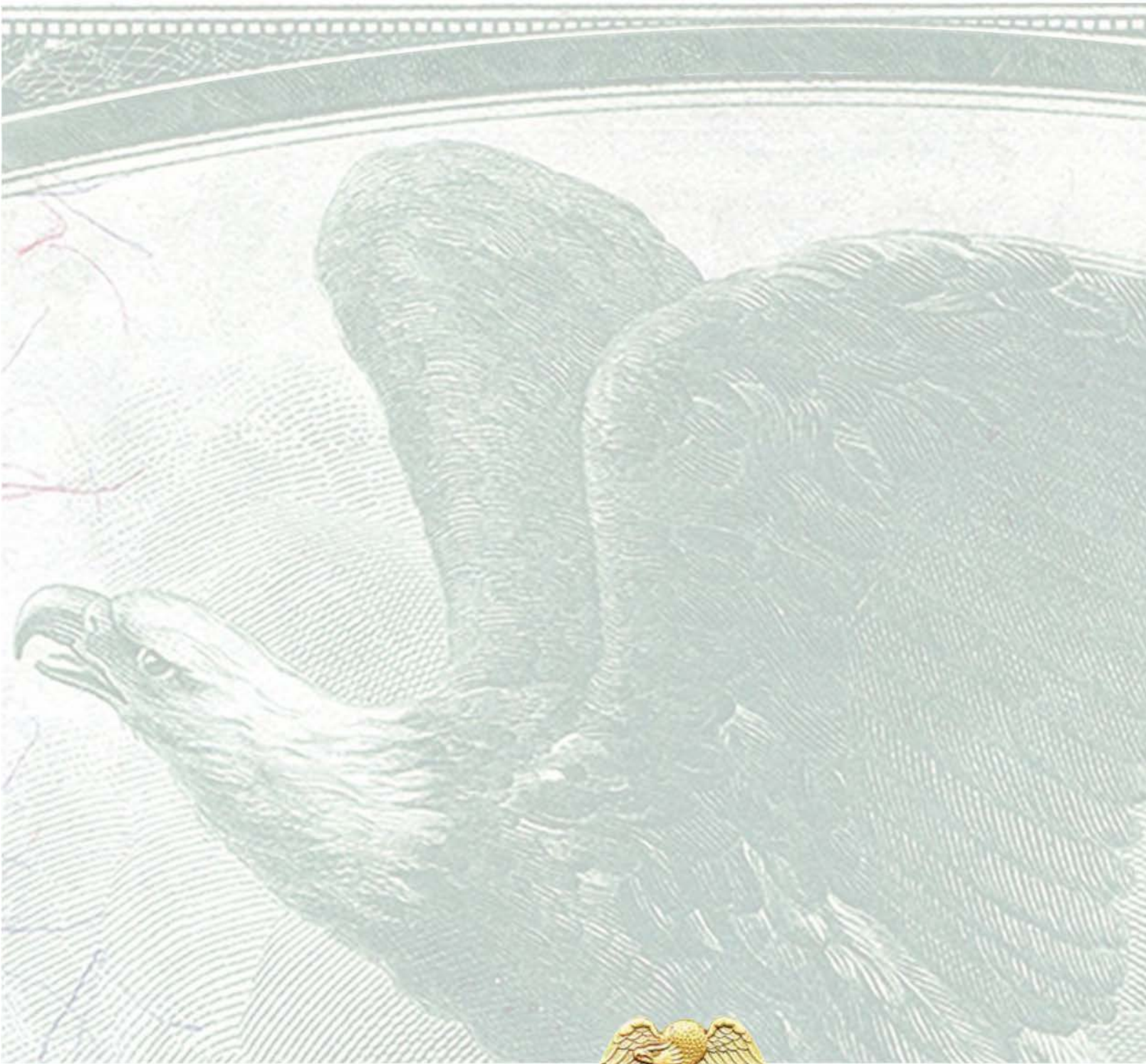
Note: Numbers may not total due to rounding.  
 Source: Treasury, *Transactions Report*, 12/20/2017.

SIGTARP investigations led to criminal charges against bank officials in 12 failed/bankrupt TARP banks (11 CPP banks and 1 CDCI bank) and against borrowers who defrauded 8 TARP banks that later failed. Also as a result of SIGTARP investigations, the SEC has brought civil securities fraud charges related to failed TARP banks.

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2. SIGTARP analysis of Blight Elimination Program data provided by Housing Finance Agencies participating in the Hardest Hit Fund Program; Office of (Michigan) Governor Rick Snyder, Press Release - Snyder announces distribution of \$100 million in federal funds to fight blight in five cities, [http://www.michigan.gov/snyder/0,4668,7-277-57577\\_57657-310992--,00.html](http://www.michigan.gov/snyder/0,4668,7-277-57577_57657-310992--,00.html) , accessed 1/16/2018.
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8. SIGTARP analysis of Treasury Hardest Hit Fund Quarterly Financial Reports (various dates), obtained via Treasury response to SIGTARP data calls.
9. SIGTARP, Quarterly Report to Congress, July 27, 2017, [https://www.sig tarp.gov/Quarterly%20Reports/July\\_27\\_2017\\_Report\\_to\\_Congress.pdf](https://www.sig tarp.gov/Quarterly%20Reports/July_27_2017_Report_to_Congress.pdf) ; accessed 1/26/2018.
10. SIGTARP Mismanagement of the Hardest Hit Fund in Georgia; October 2017; [https://www.sig tarp.gov/Audit%20Reports/Audit\\_Report\\_Mismanagement\\_HHF\\_GA\\_10\\_13\\_2007.pdf](https://www.sig tarp.gov/Audit%20Reports/Audit_Report_Mismanagement_HHF_GA_10_13_2007.pdf) ; accessed 1/26/2018.
11. Treasury, Monthly TARP Updates, January 2017 and January 2018, <https://www.treasury.gov/initiatives/financial-stability/reports/Pages/daily-tarp-reports.aspx>, accessed 1/26/2018.
12. SIGTARP Audit Report; Unnecessary Expenses Charged to the Hardest Hit Fund; August 2017; [https://www.sig tarp.gov/Audit%20Reports/Unnecessary\\_Expenses\\_Audit\\_8.25.17.pdf](https://www.sig tarp.gov/Audit%20Reports/Unnecessary_Expenses_Audit_8.25.17.pdf) ; accessed 1/26/2018;  
SIGTARP Audit Report; Waste and Abuse in the Hardest Hit Fund in Nevada; September 2016; <https://www.sig tarp.gov/Audit%20Reports/Blight%20Audit%20SIGTARP-16-003.pdf> ; accessed 1/26/2018.  
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15. Unless otherwise noted, all instances of MHA servicer non-compliance was obtained via SIGTARP analysis of Treasury Making Home Affordable servicer compliance examinations, obtained from Treasury via data calls on various dates; All MHA statistics derived from SIGTARP analysis of Treasury HAMP data.

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