



Residential Assistance for Families in Transition (RAFT)

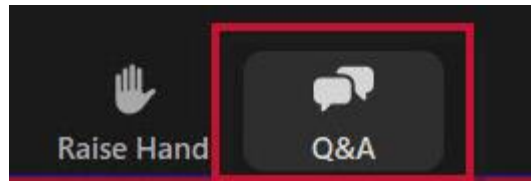
**Best Practices to Minimize Fraud
& New Form for Reporting Fraud Denials**

RAA Office Hours
June 17, 2022

Asking Questions

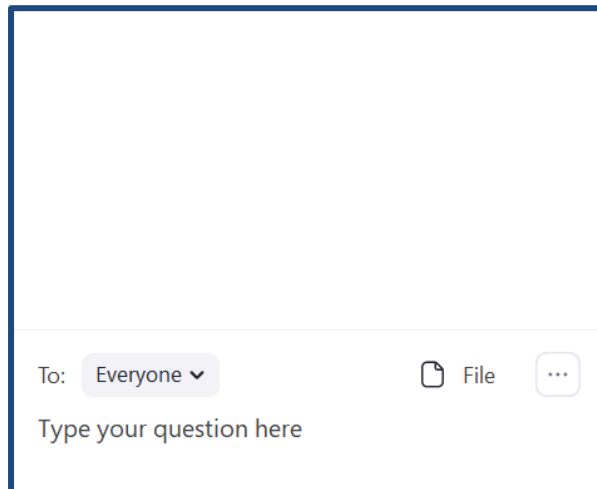
We will be monitoring the Q&A for questions

1



Click “Q&A” to submit a question (or “Raise Hand” to share a verbal question at designated breaks)

2

A screenshot of a Q&A submission form. It features a large white text area for entering a question. Below the text area, there is a 'To:' dropdown menu set to 'Everyone', a 'File' button with a document icon, and a three-dot menu button. At the bottom, there is a placeholder text 'Type your question here'.

Enter your question into the “Q&A” box

We will follow up with answers to any questions that we don’t get to during the session



WELCOME

MEET YOUR FACILITATORS



Amy Mullen



Jestina Walcott



Natalie Goodman



Tanya Raymond



Berkley Jenkins

Purpose



Provide guidance **to protect against fraud** and share **new form** for reporting suspected fraud denials to **DHCD**

Goal



Provide RAA staff with **guidance and continued support** related to ERAP and other EDI programs

Our Journey Today

I HOUR



Welcome, Goals, & Objectives

5 mins



Important Reminders

20 mins



Best Practices to Minimize Fraud



New Form for Reporting Fraud Denials



Questions



RAA Support & Resources

35 mins



IMPORTANT REMINDERS

APPLICATIONS RECEIVED ON OR BEFORE APRIL 15, 2022

- ✓ RAAs should continue using ERAP whenever possible for all applications **received on or before April 15, 2022**
- ✓ Applications submitted on or before April 15, 2022 should be considered for ERAP and (if ERAP-eligible) processed following ERAP guidelines

APPLICATIONS RECEIVED BEGINNING APRIL 16, 2022

- ✓ Since 12:01 AM on April 16, 2022, the Central App notifies applicants of the \$7,000 limit
- ✓ Applications are stamped with “RAFT” on the application PDF that is generated from the Central App
- ✓ RAFT policy guidance should be referenced when reviewing new applications on an ongoing basis



BEST PRACTICES TO MINIMIZE FRAUD



- Starting in March, DHCD has been working with **Deloitte**, a company with deep expertise in preventing ERAP fraud
- Deloitte helps to **identify potentially fraudulent applications** and shares findings with RAA supervisors
- Deloitte is also available for support on specific cases
- Need a hand on a potential fraud case? **Ask your supervisor**, who may loop in DHCD or Deloitte

WHAT IS FRAUD?



Fraud is defined as **wrongful or criminal deception intended to result in financial or personal gain** in situations where they would not be eligible. This includes **the intentional, false representation or concealment of a material fact** for the purpose of inducing another to act on it.

Applicants and/or recipients can commit rental assistance fraud by...

- Knowingly **making a false statement or representation**,
- Intentionally **falsifying required documentation**,
- Deliberately **failing to disclose material facts**, or
- Knowingly **withholding information** in order to obtain benefits

What isn't fraud but equally important to watch out for?

IMPROPER PAYMENTS

Improper Payments are payments that should not but have been made or were made in the incorrect amount without the intent and knowledge of wrongdoing, such as payments to ineligible recipients or duplicate payments (same period, multiple programs, etc.)

USER ERROR

Households and/or landlords unknowingly providing incorrect information or failing to report due to lack of understanding. This includes failing to provide sufficient documentation, misrepresenting income or household size, or amount of assistance requested. Best practices are to give applicants the opportunity to provide updated information if needed.

Where can fraud originate from?

**Households (Tenants)
Falsifying Applications**

**Landlords (Owners)
Falsifying Applications**

**Landlord / Tenant
Collusion**

**Coordinated Criminal
Attacks**

COMMON FRAUD SCENARIOS



Households (Tenants) Falsifying Applications

Households (tenants) provide falsified applicant information or supporting documentation used to determine benefit eligibility

EXAMPLE SCENARIOS

- **Tenant does not live at the address listed**
- **Tenant falsifies documents or signatures**
- **Tenant intentionally misrepresents or fails to report income, assets and allowances**
- **Tenant falsifies property landlord information and/or housing crisis**
- Tenant is adamant about receiving payment directly, and landlord cannot be contacted via phone, email, or mail
- Tenant is not head of household or does not report all household members living in the unit
- Tenants overstating amount of relief needed or knowingly exceeding cap
- Tenants applying for arrears for months covered by past stipends/subsidized portion of rent

Landlords / Property Owners Falsifying Applications

Landlords obtain payments for unknowing tenants, or falsifying application information/documentation to receive payment

EXAMPLE SCENARIOS

- **Owners falsifying documentation to satisfy program requirements**
- **Landlord/Owner listed is not the legal recipient of rental payments**
- **Landlord and Tenant have the same property/unit address**
- Owners collecting housing assistance payments for units not occupied by program participants.
- Owners collecting extra or side payments in excess of family share of rent
- Owners knowingly submitting duplicate applications for the same unit

Landlord / Tenant Collusion

Landlords and tenants working together to receive payments for situations that are not eligible for rental assistance

EXAMPLE SCENARIOS

- **Landlord and tenant knowingly submit fully completed applications with falsified information and documents**
- Landlord and tenant knowingly overstate amount of assistance required (month of arrears, rent amount)
- Tenant is a relative of the landlord and not an actual rent paying tenant

INDICATORS OF POTENTIAL FRAUD



When processing applications for rental assistance, keep an eye out for the following key red flag indicators of potential fraud

SUSPICIOUS DOCUMENTS	SUSPICIOUS PERSONAL ID INFO	SUSPICIOUS APPLICATION INFO	SUSPICIOUS ACTIVITY
Tenant and/or landlord intentionally provides misleading or falsified documents that are required to receive benefits	Tenant and/or landlord unable to be verified through direct contact or provide materially false personal identification info	Information submitted with the application is intentionally misrepresented and cannot be validated with supporting documentation or outreach	Tenant and/or landlord behavior or actions taken are intended to mislead or persuade application case managers
What should I look out for?			
<ul style="list-style-type: none"> ➤ Fictitious freehand docs with no standard format or letterhead ➤ Dates of docs inconsistent with benefit claim or back dated to satisfy requirements ➤ Tenant/Landlord info on docs is drastically different from App Form (address, names, rent, etc.) ➤ Handwritten or manually altered docs (e.g. Revised, copied, whited out, pre- or post-dated notes). ➤ Complete absence of verifiable documents (e.g. I040's, W9, Notice of arrears, acceptable photo ID) 	<ul style="list-style-type: none"> ➤ Inconsistencies with state verified identifiers: DMV license numbers, SSN discrepancies, etc. ➤ Does not provide a phone number or states they do not have a phone number ➤ Tenant/Landlord have the same unit address, last name, and/or contact information ➤ Emails or telephone numbers are not valid ➤ Applicant cannot be verified through any trusted third party data sources or valid documentation 	<ul style="list-style-type: none"> ➤ Blatant material misrepresentation of application info: completely fake address, falsified tenant ➤ Multiple claims submitted for the same property address ➤ Property address is not a valid MA residence (PO Box, hotel, place of employment, etc.) ➤ Tenant/Landlord have the same address or last name ➤ Multiple addresses listed on app and supporting forms ➤ Benefit amount/months covered is equal to the max amount without any supporting evidence ➤ Claims are incompatible with residence, average rent, and/or income. 	<ul style="list-style-type: none"> ➤ Aggressive pressure from claimant demanding for a quick decision or threats to file complaints if app not processed ➤ Applicant pushes for smaller benefit amount to obtain funds ➤ Applicant refuses to be contacted by phone, avoids in person interactions, and only will communicate via email ➤ Applicant or landlord does not know basic info that would be common to remember ➤ Frequent updates to app details to support claim ➤ Pattern of tenant closing out apps due to lack of req's, then immediately resubmitting a new app with the same details

BEST PRACTICES TO MINIMIZE FRAUD



- ✓ **Assume best intent:** *Only assume fraud with clear, material indicators of the intent to deceive and allow applicants the opportunity to correct unintended errors*
- ✓ **Compare Central Application to Supporting Documentation to identify discrepancies:** *Ensure that the details in the supporting documentation are consistent with the details on the application*
- ✓ **Analyze Payment History if available:** *Leverage internal data sources of program participants/past payments (HAPPY, RAA case management details, etc..) to ID similarities between other fraudulent payments.*
- ✓ **Attempt direct contact to Tenants and Landlords whenever possible to verify application:** *Directly contacting participants by phone, in person, or via video call helps minimize suspicious application activity and identity.*

BEST PRACTICES TO MINIMIZE FRAUD (CONT'D)



- ✓ **Perform additional due diligence for higher risk scenarios:** *Pay extra attention to apps that cannot be verified with acceptable forms of ID (e.g. government/state issued ID), official supporting docs (W9's, 1040's, court docs, lease docs, consistent signatures), or third-party data sources (e.g. property records, wage data, etc.)*
- ✓ **Look up the real property owner's contact info in the Central App Portal "Person Validator" tool:** *Call them to ask if they submitted an app*
- ✓ **Never share the reason why an app was initially flagged or if it was linked to other apps:** *Prevent inadvertently tipping off fraudsters*
- ✓ **Follow policy ensuring payments go to property owner listed on an official database:** *This includes Registry of Deeds, Assessors database, etc.*
- ✓ **Ask for help:** *If you're unsure about a case, ask your supervisor, who can also ask DHCD for a second opinion*

PROCESS FOR DENYING FOR SUSPECTED FRAUD



- RAAs and the RAP Center should use the standard DHCD denial letter when denying an application for fraud
- Select “Suspected Fraud” as the reason



Massachusetts Department of Housing and Community Development

Emergency Housing Payment Assistance Ineligibility or Termination Letter

Date: _____ Regional Administering Agency: _____

Applicant Name: _____

Address, City and Zip: _____

You have been found ineligible for emergency housing payment assistance or have already received assistance but are having your assistance terminated.

Emergency housing payment assistance includes the following programs:

- Emergency Rental Assistance Program (ERAP)
- Residential Assistance for Families in Transition (RAFT)

The reason for your ineligibility or termination is:

☐ Application Denied for Ineligibility:

- ☐ **Income:** Household's total income exceeds program eligibility income limits.
- ☐ **Participant Non-Compliance:** Household violated the terms of the "Participant Obligations" in the emergency housing payment application. Description:

- ☐ **No Eligible Housing Crisis:** Household did not present with a housing emergency that met program eligibility criteria.
- ☐ **Receiving Identical Benefits:** Household received other benefits already for the same cost in the same time period.
- ☐ **Suspected Fraud:** Household is suspected to have committed fraud, misrepresented facts, or provided inconsistent or inaccurate information as part of the emergency housing payment assistance application process. Description:



NEW FORM FOR REPORTING PRE-PAYMENT SUSPECTED FRAUD DENIALS

NEW FORM FOR REPORTING SUSPECTED FRAUD DENIALS TO DHCD



- Effective Today:
 - If household is denied **pre-payment**, report the denial to DHCD using new suspected fraud denial form (link below)
 - **Do not** enter pre-payment fraud denials in HAPPY at all
 - **Continue** to send a denial letter to the tenant
- This allows DHCD to track potential fraud cases without connecting the fraud to the tenant in case of stolen identity
- If fraud is caught **post-payment**, continue to mark as fraudulent in HAPPY

Do not share this link outside your RAA/RAP Center



QUESTIONS



Further Questions

Direct questions to your supervisor first and then contact the RAA support inbox (dhcdraaraft@mass.gov) as a point of escalation for questions. A member of the RAA Support Team will respond.

- ***Time-sensitive Questions:*** Critical questions that require responses within 24hrs should be submitted with a subject line that includes “**URGENT.**”



Best Practice

Please **specify the program** that you are reaching out about to ensure that the DHCD RAA Support team is best positioned to provide policy guidance.

RAFT PROGRAM RESOURCES



1

[RAA Resource Portal](#)

Link to central resource that provides RAA staff with key updates, training and learning opportunities, and helpful information to support programs

2

[Frequently Asked Questions](#)

Link to frequently asked questions that provide a policy overview and concise program guidance

3

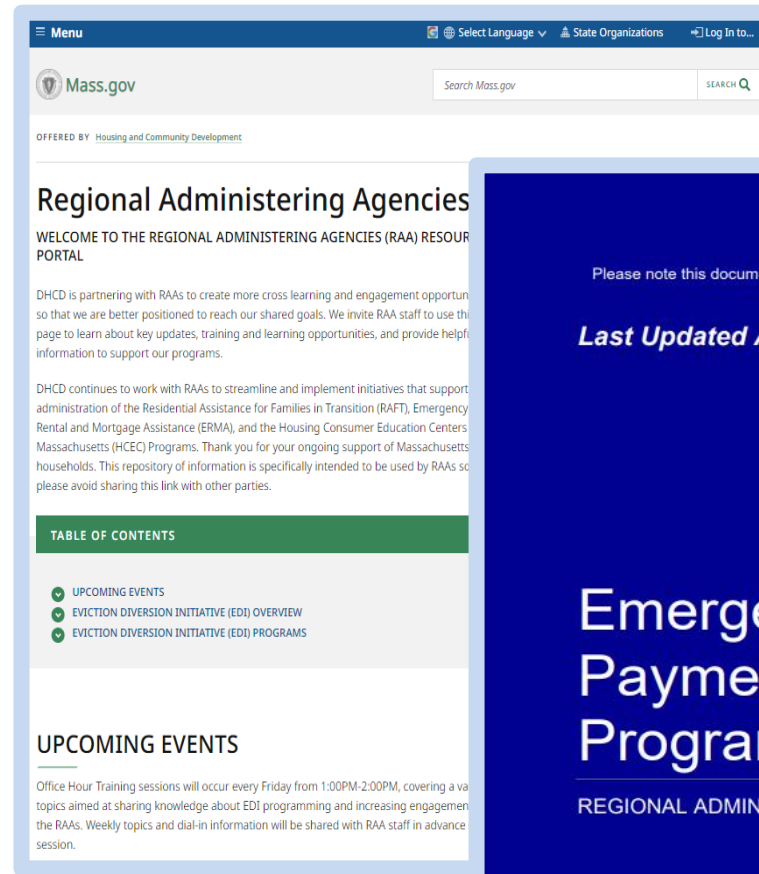
[RAA Office Hours 04.15.2022](#) [RAFT Q&A](#)

Link to recording for first question and answer session

4

[RAA Office Hours 04.08.2022 RAFT Refresher](#)

Link to recording for RAFT refresher training providing and overview of RAFT policy



Please note this document will be updated as information becomes available

Last Updated April 11, 2022

Emergency Housing Payment Assistance Program FAQ

REGIONAL ADMINISTERING AGENCIES



THANK YOU!

