

PHI



ENIX

2024

**Protecting Program
Integrity**



Panelists

GREG BLAKE

Chief Information Officer and Vice President of Administration | Idaho Housing and Finance Association

JONATHAN HILLIKER

Director of Audit, Compliance, and Fraud Investigation | Michigan State Housing Development Authority

JASON RUSNAK

Co-Founder and President | Neighborly Software

Discussion Leader

DANIEL DELFINO

Director, Planning and Program Development | Alaska Housing Finance Corporation

Technology's Impact on Government Programs

- **Easier Deployment & Administration**
 - Streamlines application processes
 - Increases efficiency for program administrators
 - Enhances accessibility for applicants
- **New Risks to Program Integrity**
 - Potential for fraud and abuse
 - Data security vulnerabilities
 - Challenges in verifying applicant eligibility



Need to Balance Urgency With Accountability

Quickly deliver funds to vulnerable populations

Vs.

Prevent fraud, waste, and abuse to avoid
repayment liabilities



PROGRAM INTEGRITY:

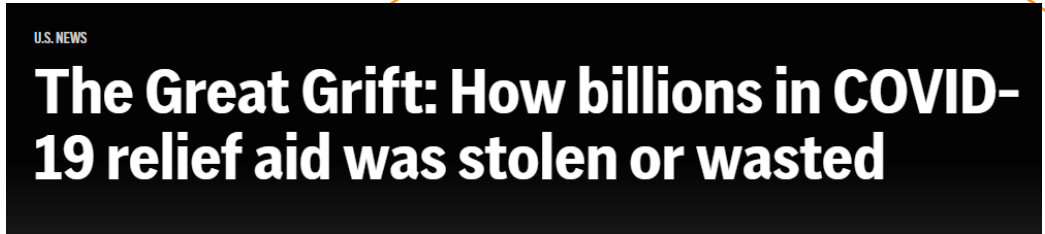
Addressing Risks from All Angles

Threats from External Bad Actors

- Focused on fraud, identity theft, and eligibility manipulation
- Often the primary concern in program oversight

Internal Risks Often Overlooked

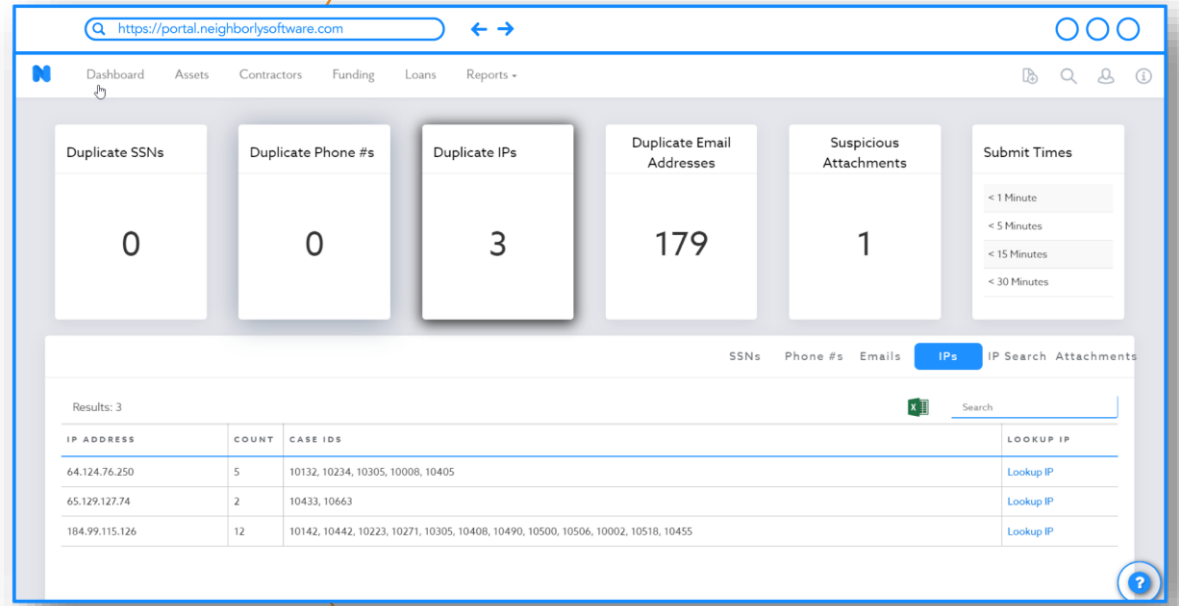
- Insider threats from employees or contractors
- Misuse of data, improper approvals, or negligence
- Internal oversight is as crucial as external protection



HOW WE DO IT AT NEIGHBORLY SOFTWARE

Layer 1: Combatting External Bad Actors

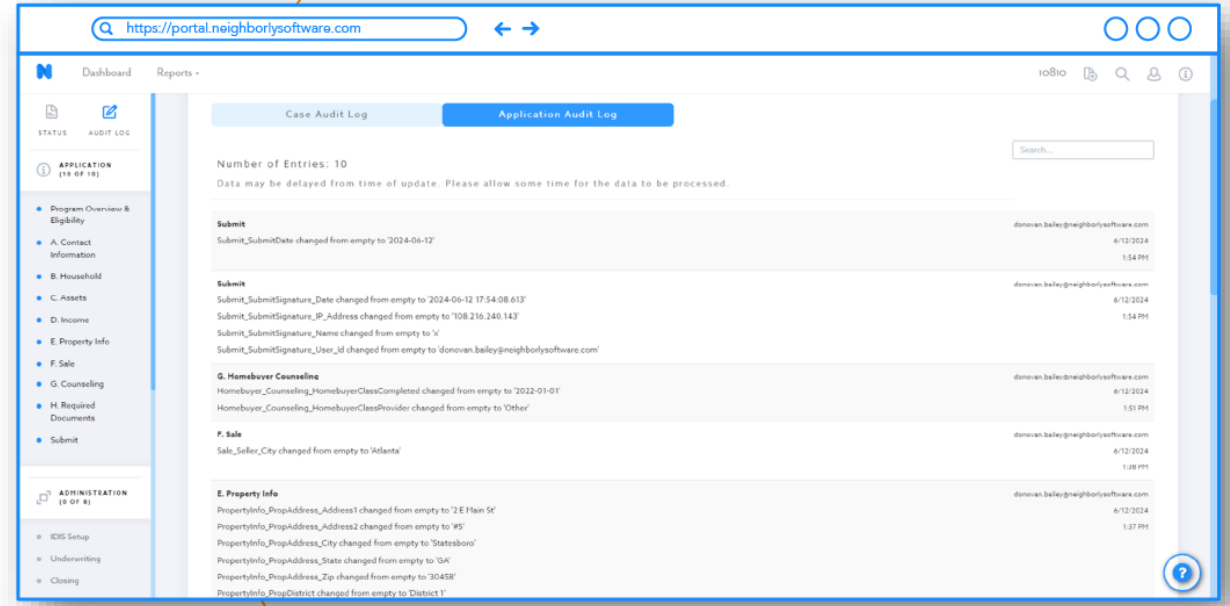
- ✓ FedRAMP data centers
- ✓ Data encrypted at rest and in transit
- ✓ Multi-factor Authentication
- ✓ Annual SOC 2 Certification
- ✓ Microsoft Defender, Cloudflare, CrowdStrike
- ✓ Fraud Dashboard
 - Identify cases with duplicate information (IP Address, SSN, addresses, phone, email)
 - Suspicious Attachment metadata analysis
 - Time to submit application



HOW WE DO IT AT NEIGHBORLY SOFTWARE

Layer 2: Combatting Internal Bad Actors

- ✓ Principle of Least Privileges
- ✓ Separation of Duties: Case Managers / QC Reviewers
- ✓ Draw approval: steps must be validated
- ✓ Case Audit Log
- ✓ Data Field Audit Log



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**Greg Blake, CIO and VP of Administration
Idaho Housing and Finance Association**

**Protecting Program
Integrity**



Emergency Rental Assistance (ERA)

Carl wants to be a Landlord

Carl has a history of fraud and criminal activity.

He lives with his wife - they rent a room from her parents.

Carl created fake emails of his wife's parents (in-laws).

He filled out ERA applications using his in-laws names.

We sent landlord Carl the \$9K check.

Oops – He couldn't make it to the mailbox quickly

When his in-laws opened their mail and saw a check made to him, they called us.

He is now spending his free time in Prison





Motel of Mystery – More rooms than the Winchester House

We aided people staying at hotels/motels at a maximum at \$150 per night.

These are unconventional long term hotel rentals and need a kitchen to be eligible. The people needed leases,

We had many applications from a single hotel, these were largely homeless people.

There were more applications than rooms at the motel.

The motel owner is under investigation for \$400K in fraud

Catch me if you can - Tracy thought she could compete with Frank Abagnale

Tracy of Houston Texas is very good at document forgery.

She created very realistic pay stubs and fake income documents.

She obtained real social security numbers and photo IDs of her relatives.

She claimed to be the landlord of numerous homes across the US

Two Idaho homeowners beg to differ.

Oops - She forgot to check her job history locations – No Trader Joes in Eastern Idaho.

She tried to get \$104K and many more from other states.

Tracy is awaiting trail and maybe movie deal





Housing Assistance Fund (HAF Program)

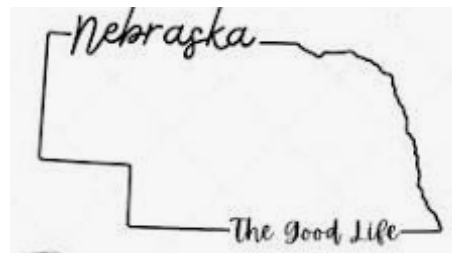
Mortgage Servicing Fraudsters

Carrie A Wood Conventional Mortgage Servicing

Sailfish Servicing, LLC - NMLS ID: 2219167

Welcome to Sailfish Servicing, LLC, the premier master servicer in the mortgage industry. As a Fannie Mae approved servicer, we specialize in managing and optimizing mortgage loan portfolios with precision and expertise. With a commitment to excellence and a track record of success, we bring unparalleled efficiency and reliability to the servicing process. Our dedicated team of professionals ensures seamless, compliant, and client-focused solutions, making us the preferred choice for those seeking top-tier master servicing. Discover the difference with Sailfish Servicing, LLC, where your mortgage servicing needs are met with a level of excellence that sets us apart.

646 2nd Ave S
Saint Petersburg, FL 33701



HOME > BLOG > PINGORA LOAN SERVICING LLC DATA BREACH

PINGORA LOAN SERVICING LLC DATA BREACH

Posted on behalf of Arnold Law Firm on April 12, 2022 in [Data Breach](#)
Updated on October 18, 2022

NOTICE: This blog is for historical context only. The Arnold Law Firm is no longer accepting new clients for this data breach action.



In December 2021, Pingora Loan Servicing, LLC ("Pingora") discovered that an unauthorized third party obtained access to Pingora's servers and the files on those servers. Between October 27, 2021, and December 7, 2021, the unauthorized third party used that access

to view customer information and access private personally identifiable information.

Pingora is a mortgage service and specialized asset management company in the United States and is located in Denver, Colorado. It services mortgages

Carrie A Wood (aka Carrie Conventional Services)

International HQ of Carrie
Conventional Services
Honey Brook, PA

Rockefeller Plaza wasn't
good enough



Some Victims of Carrie A Wood

Mr. Steve

Retired veteran

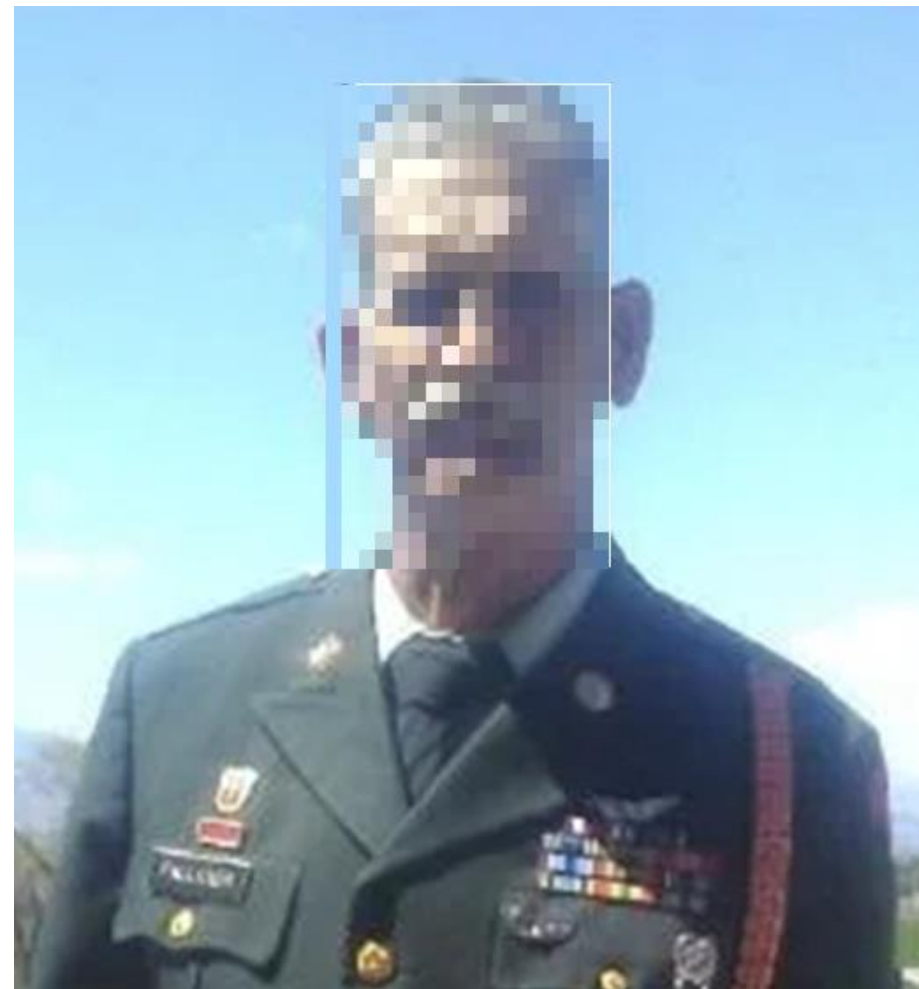
He and wife own their home (no mortgage)

They have been victimized before

Frauded by Carrie A Wood

Fax Mortgage, Tax return

Application of \$35K



Mr. James

Retired veteran

Identity on the dark web

He and his wife have been victims
for years

Frauded by Carrie A Wood
Fake Mortgage, Tax return,
Application of \$35K



Too Lazy to use a computer

IDAHO DEED OF TRUST

THIS DEED OF TRUST (the "Deed") dated 10/01/2019 (mm/dd/yyyy), is made by and between:

Borrower: [Redacted] (Borrower Name(s)) of [Redacted] (Address(es)),
ID 83221
(hereinafter the "Borrower")

Lender: Carrie Conventional Services, LLC (Lender Name) of 275 Park Street, Honey Brook, PA 19344 (Address),
(hereinafter the "Lender")

Trustee: Carrie A Wood (Trustee Name) of 275 Park Street, Honey Brook, PA 19344 (Address),
(hereinafter the "Trustee"), of the [Redacted] (Trust Name)

Guarantor (Optional): Steven (Guarantor Name) of [Redacted] (Address),
(hereinafter the "Guarantor")

Even I could cut and paste better

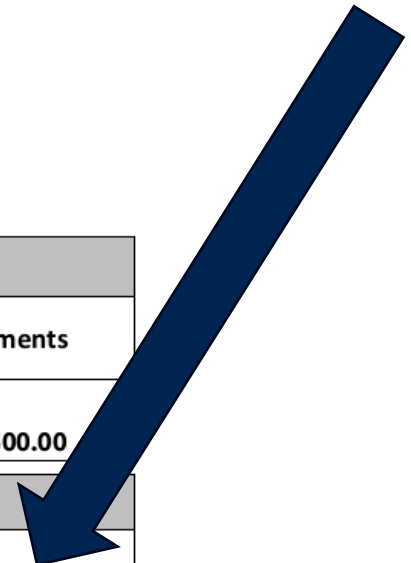
Contact Us	
By Phone:	1 - 301 - 834 - 2847
Email:	carrieconventionalservices@usa.com
<i>See back for mailing addresses</i>	

Transaction Activity (11/15/2021 – 12/15/2021)			
Date	Description	Charges	Payments
11/16/21	Late Fee (charged because payment was received after 10/15/2021)	\$300.00	
11/17/21	Payment Received – Thank you		\$2,500.00

Past Payments Breakdown		
	Paid Last Month	Paid Year to Date
Principal	\$800.00	\$4,800.00
Interest	\$1,200.00	\$7,200.00
Escrow (Taxes and Insurance)	\$500.00	\$3,000.00
Fees	\$0.00	\$0.00
Total	\$2,500.00	\$15,000.00

Important Messages

If You Are Experiencing Financial Difficulty: If you would like mortgage counseling or assistance, you can find a list of counselors in your area on the U.S. Department of Housing and Urban Development's website at www.hud.gov. On the back of this page, we have also provided contact information for three state- or federally-approved counseling programs in your area.



Scammers are not good at math



Mortgage Statement

Statement Date: 1/20/2023



Boise, ID 83709

Account Number	410014379672
Payment Due Date	1/1/2023
Amount Due	\$35,000.00
<i>If payment is received after 1/15/23, pay \$35,300.00</i>	

Account Information	
Property Address	Boise, ID 83709
Outstanding Principal	\$105,000.00
Maturity Date	September 2039
Interest Rate (Until October 2021)	4.75%
Prepayment Penalty (Until September 2023)	\$9,000.00

Current Payment Due	
Principal	\$9,250.00
Interest	\$17,500.00
Escrow (for Taxes and Insurance)	\$5,750.00
Regular Monthly Payment	\$2,500.00
Total Fees Charged	\$300.00
Total Amount Due	\$35,300.00

Contact Us	
By Phone:	1 - 301 - 834 - 2847
Email:	carrieconventionalservices@usa.com
<i>See back for mailing addresses</i>	

The Rub

The federal programs want us to hurry up and get the money out with no prescribed checkpoints.

No guidance on fraud concerns or privacy concerns.

However, the Feds will come back and audit the program in great detail and required the states to refund back any fraudulent payments.

People went to great lengths to deceive the program to scam. 13% - ERA

Our NCSHA network was beneficial to discuss “do not fly checklist”

Some HFA were reluctant to do discuss the scammers, thinking they don't want it to be known to the Feds that they were scammed.

What we Implemented

We wanted to see photo identification, driver licenses etc. Huge level of fake IDs. Some very hilarious.

We wanted to see proof of previous payments to their lease or rent checks going back in time.

Many of the scammers indicated their lease just started the month before they applied for relief.

Out of state people were big red flags and needed additional checks.

Word of Wisdom

The scammers almost always get greedy and ask for the maximum amount of payment.

We used computer systems to see where their application IP addresses originated.

We also used algorithms to see if the application takes a reasonable amount of time to fill out. If too quick, this was a red flag.

Scrutinized the documents.

The IDs almost always had signature with first initial, last name. J smith. Sometimes they signed backwards, smith j.

Many times, the documents were clearly created in Word or had crazy amounts that don't make sense.

They all use Magic Jack

Home > News > Scams



Magic Jack Being Used In Phone Spoofing Scam

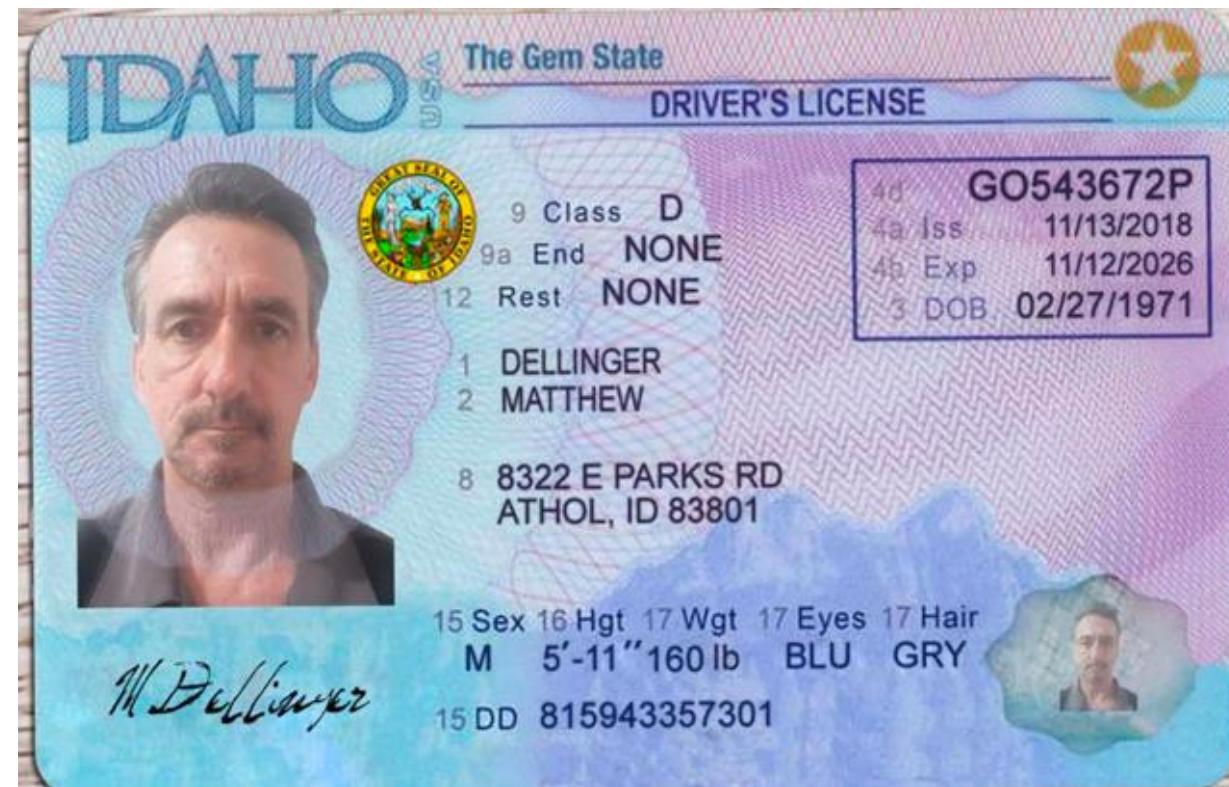
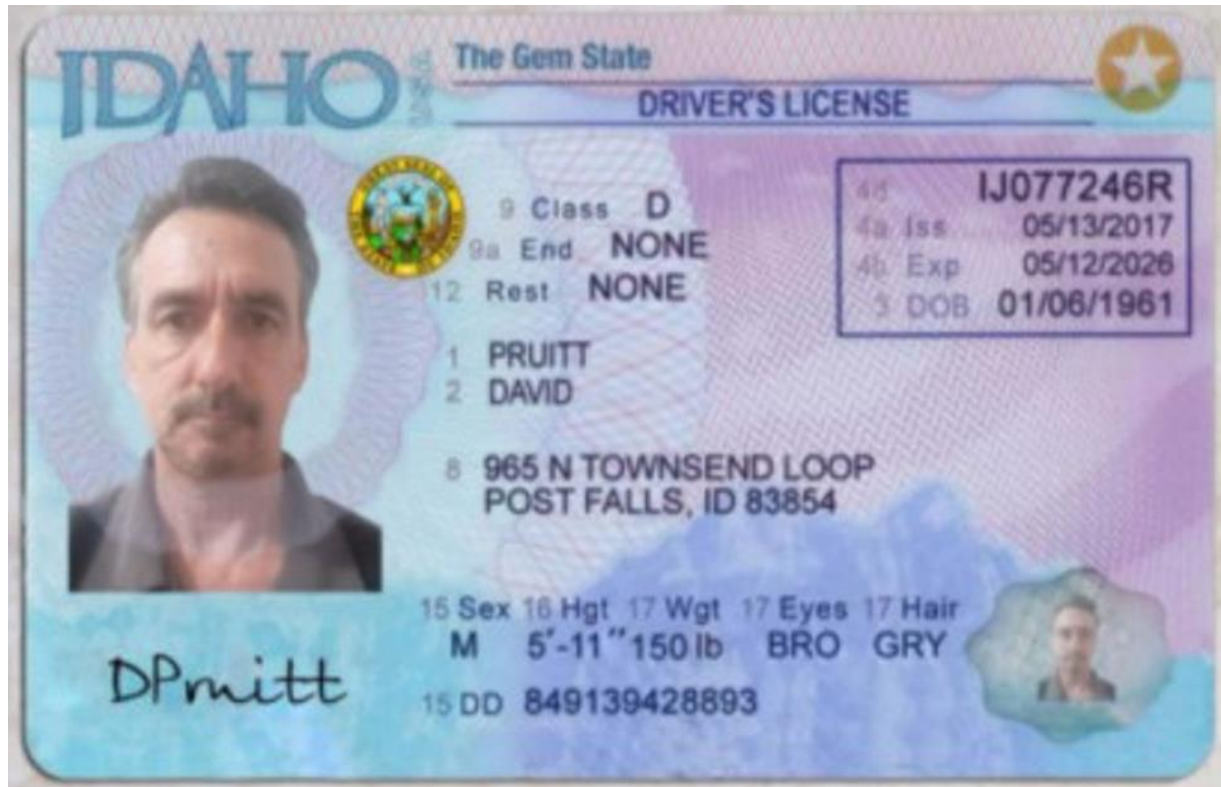
Scam shows up in Mississippi



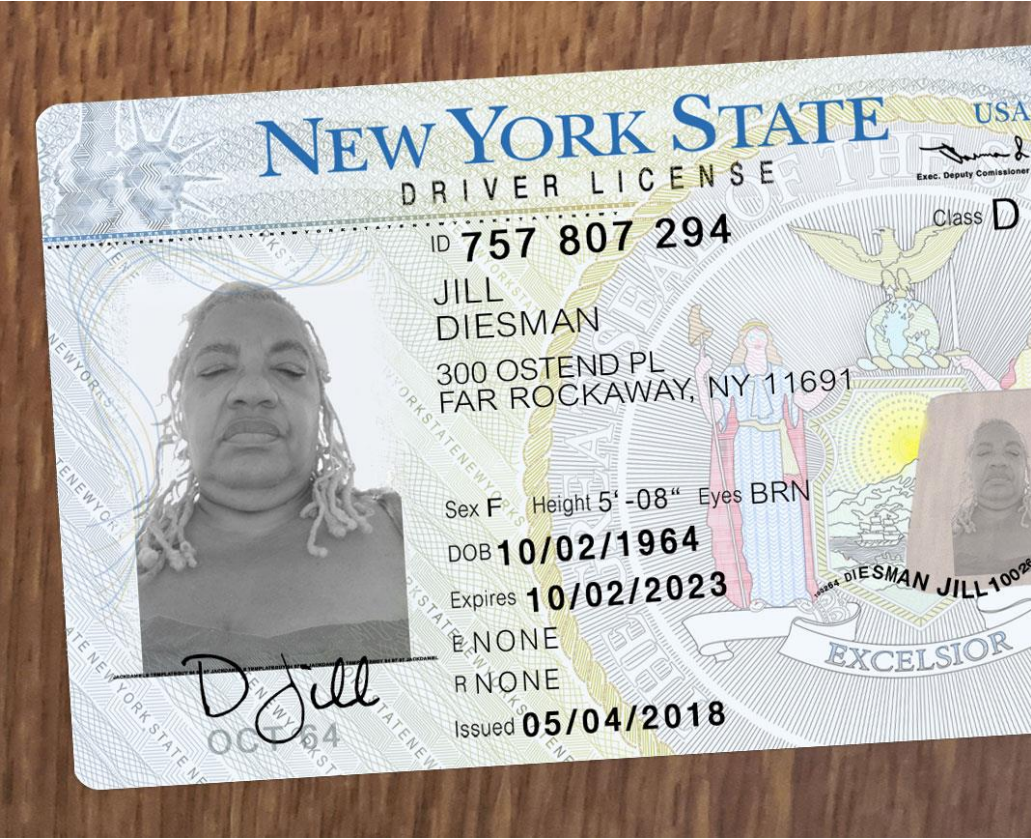
Mark Huffman, Reporter • Nov 29, 2011

Share 

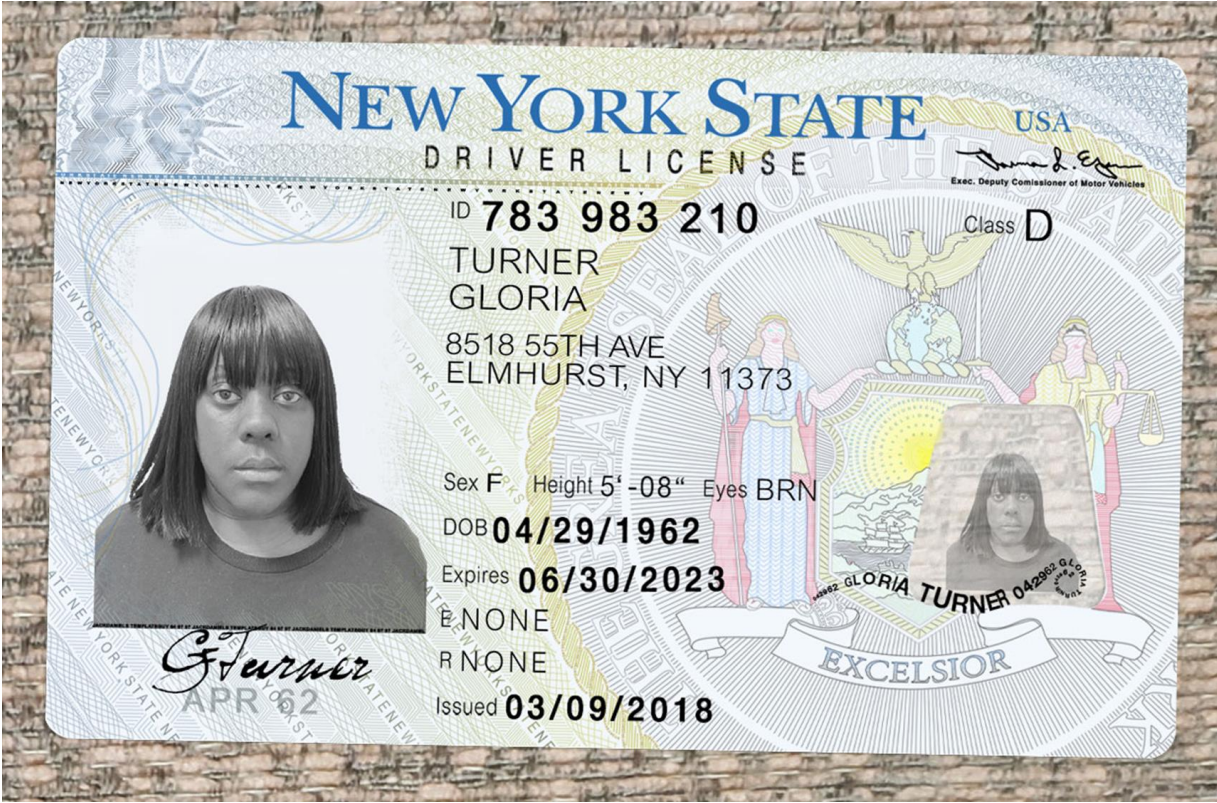
Twins separated at birth



License from the Jack Daniels school of driving



She looks great at 62 years old





Littyids.com Unbelievable

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🌐 Google Chrome isn't your default browser [Set as default](#)


LITTYIDS Welcome to "LITTYIDS", come and customize your fake ID card!

Home Blog About Us **Product** Order FAQ Contact Us E-mail:order@littyids.com

Product


Home / Product

We offer a wide variety of IDs. Samples on how our IDs look like. All fake IDs made by LITTYIDS are top quality and pass scanners.




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California

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Connecticut

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IDAHO

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Thank You

Strategies For Combating Fraud in Housing Assistance Programs

Jonathan Hilliker
Director of ACFI

Audit, Compliance and Fraud Investigation Division

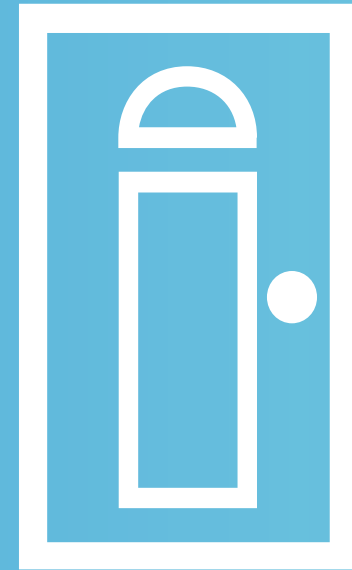


What Are We Facing

- **Fraudulent applications**
- **Fake identities**
 - Stolen PII
 - “True Name” Fake IDs
- **Synthetic identities**

One or more components of real PII combined with fake info
- **Fabricated or altered IDs and documentation**
- **Online application vulnerabilities and attacks**
- **Organized crime**
- **International/Transnational bad actors and fraud rings**

**WHAT METHODS
AND TACTICS ARE
THE FRAUDSTERS
USING?**



Fraudsters buying & selling stolen PII

Dark Web Messaging Apps

1. Telegram

- **Features:** Encrypted messaging, channels, and groups.
- **Usage:** Commonly used by vendors and buyers for direct communication and transactions. Channels and groups are often used for selling stolen data.

2. Signal

- **Features:** End-to-end encryption, secure messaging.
- **Usage:** Used for secure, encrypted communication, including for illicit transactions.

3. Wickr Me

- **Features:** Encrypted messaging, self-destructing messages.
- **Usage:** Used for anonymous communication and transactions in illicit markets.

4. ICQ (I Seek You)

- **Features:** Messaging and voice calls, available on various platforms.
- **Usage:** Some vendors and buyers use ICQ for secure communication.

IDENTITIES, SOCIAL SECURITY INFORMATION, PASSPORTS AND OTHER DOCUMENTS	
U.S. PII (name, address, phone number, SSN, DOB, bank account data, employment history, credit history, criminal history)	\$40 - \$200
U.S. green cards, driver's license, Insurance, and Passport Visas (bundled)	\$2,000
PASSPORTS, DRIVER'S LICENSE AND ID'S	
Germany (EU Source)	€37.95
Canada	\$400-\$1,000
China	\$600
Other (Including U.S.)	\$500-\$800
Diplomatic passports and paperwork	\$2,000
U.S. Document Templates and Forgeries (utility bills, bank statements, passports, SSN cards, driver's license- 46 states)	\$10-\$50
Forged Prescriptions - Large U.S. Drug Stores	\$50 - \$100

Source: Armor Defense 4/3/2018

Fraudsters buying & selling stolen PII Continued

Dark Web Messaging Apps

1. Threema

- **Features:** Encrypted messaging, anonymous communication.
- **Usage:** Used by some on the Dark Web for secure and private messaging.

2. Keybase

- **Features:** Encrypted messaging, file sharing, and public key encryption.
- **Usage:** Utilized for secure communication and sharing sensitive information.

3. Riot (now Element)

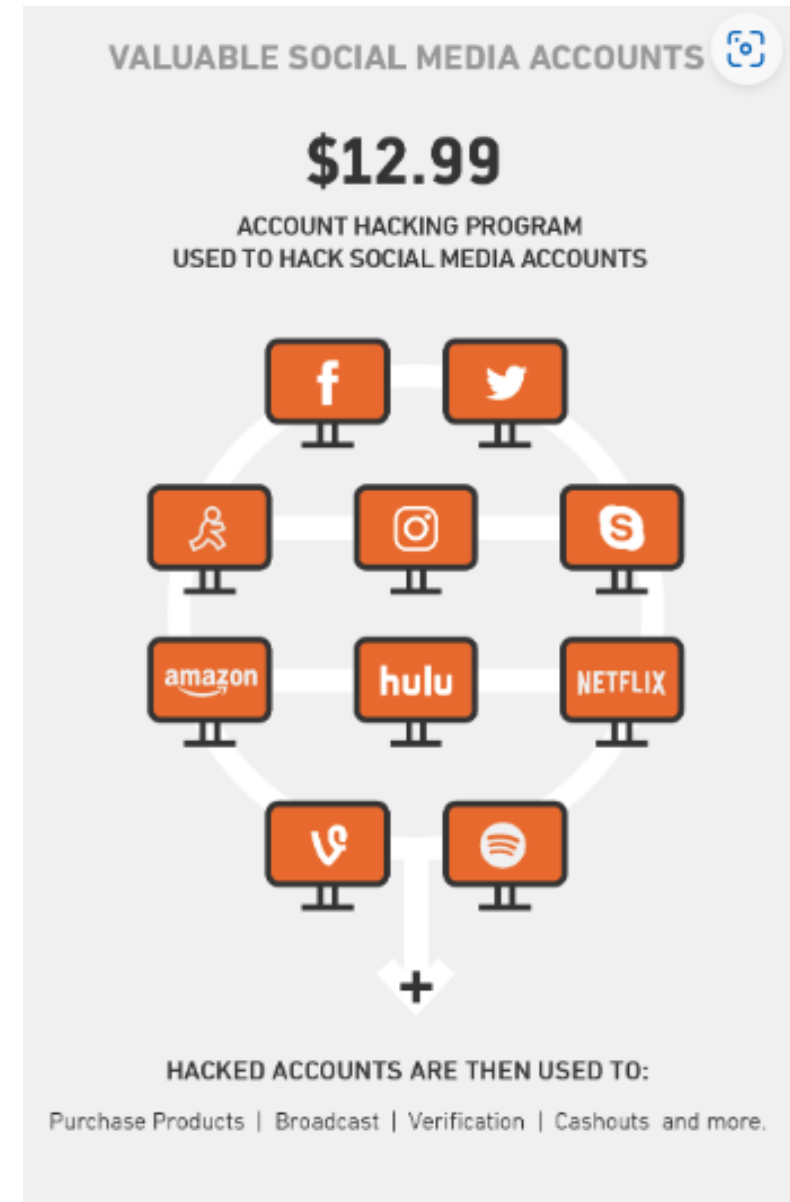
- **Features:** Open-source messaging, end-to-end encryption.
- **Usage:** Used for private and encrypted communication among Dark Web users.

4. Tox


- **Features:** Peer-to-peer encryption, anonymous messaging.
- **Usage:** Preferred by some for its privacy features and decentralization.

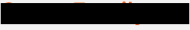
5. Session


- **Features:** Decentralized, end-to-end encryption, anonymous messaging.
- **Usage:** Valued for its privacy and security features, used for illicit transactions.




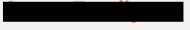

Michigan DW Chatter



/I'm selling Michigan dl template escrow accepted
3:20 PM


No cap i need some Michigan fullz fresh ones gotta show me proof em hoes fresh
10:52 PM


Need help with creating Michigan ID for online verification purposes only.... novice here...any guidance is appreciated!!!
6:04 AM


Who got the Michigan grant sauce? ↩️ 1 7:37 PM



What's hittin rn !!
Taxes refund and some state unemployment like new york texas n Michigan
1:40 PM



Taxes refund and some state unemployment like new york texa...
What the ticket on Michigan unemployment?
1:40 PM

Michigan DW Chatter Part 3

[Redacted]
I need utah and Michigan rent relief method

[Redacted]
MICHIGAN RENTAL BENEFITS METHOD . AVAILABLE DM ME NOW 60\$ BTC

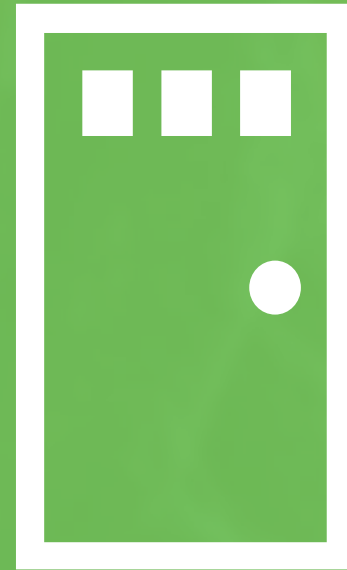
[Redacted]
Who in here got California, Indiana or Michigan rental assistance method

[Redacted]
Vouching for @ [Redacted] with the NY & MI Pros W DL # , Vaild Credit Score (800+) ✓ & Credit Reports . Pros Came With Pua Sauce Too , GOOD PRICES . Thanks bro 🍷👍
1 5:52 PM

[Redacted]
I got Michigan and NV pros but I'm in MI right now
Dm
6:20 PM

[Redacted]
Who can make MI ID's w proof im paying
2:03 PM

USING THE STOLEN PII AND DARK WEB FRAUD KITS



MICHIGAN MI USA

DRIVER LICENSE



M [REDACTED]

DOB [REDACTED]

[REDACTED]

EXP 06-11-2020

EXP 03-13-2025

031389

Sex M

Hgt 507

Eyes BRO

Lic Type 0

End NONE

Restrictions NONE



[REDACTED]

DD-00 [REDACTED]

Rev 02-01-2012



Explore > Men's Fashion



Save

Uploaded to Pinterest

Jesse Ward



Bimbo BA
6k followers

Jesse Ward Black Tie Tuxedo Tuxedo For Men All Black Suit Dapper Duds

More information...

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M Kristi



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Jessie Pavelka

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NCSHA

444 North Capitol Street NW, Suite 438
Washington, DC 20001

EARNINGS STATEMENT

EMPLOYEE NAME / ADDRESS			SSN	REPORTING PERIOD	PAY DATE	# 3468
Jonathan Hilliker 123 Main St. Lansing, MI			XXX-XX-6789	09/12/2024 - 09/18/2024	09/19/2024	Employee # 8675309
INCOME	RATE	HOURS	CURRENT PAY	DEDUCTIONS	TOTAL	YTD TOTAL
GROSS EARNINGS	\$20	40	\$800.00	STATUTORY DEDUCTIONS		
				FICA-MEDICARE	\$11.60	\$440.80
				FICA SOCIAL SECURITY	\$49.60	\$1,884.80
				FEDERAL TAX	\$57.82	\$2,197.16
				STATE TAX	\$29.42	\$1,117.96
THIS WATERMARK WILL BE REMOVED AFTER PURCHASE				THIS WATERMARK WILL BE REMOVED AFTER PURCHASE		
YTD GROSS	YTD DEDUCTIONS	YTD NET PAY	TOTAL	DEDUCTIONS	NET PAY	
\$30,400.00	\$5,640.72	\$24,759.28	\$800.00	\$148.44	\$651.56	

Complete Personal Fraud Kits Sell for Less Than \$40 on Dark Web

The low cost of records reflects the huge supply of PII after many breaches at hospitals, government agencies, and credit bureaus.



Dark Reading Staff, Dark Reading
July 26, 2019

🕒 1 Min Read

<https://www.darkreading.com/vulnerabilities-threats/complete-personal-fraud-kits-sell-for-less-than-40-on-dark-web>

Personal Data of 3 Billion People Stolen in Hack, Suit Says (1)



Cassandra Coyer ✉

-
- **COURT:** S.D. Fla.
 - **TRACK DOCKET:** No. [0:24-cv-61383](#) (Bloomberg Law subscription)

Jerico Pictures Inc., a background-check company doing business as National Public Data, exposed the personal information of nearly 3 billion individuals in an April data breach, a proposed class action says.

On April 8, a cybercriminal group by the name of USDoD posted a database entitled “National Public Data” on a dark web forum, claiming to have the personal data of 2.9 billion people, according to the [complaint](#) filed Thursday in the US District Court for the Southern District of Florida, which said the group put the database up for sale for \$3.5 million.

If confirmed, the breach could be among the biggest ever, in terms of the number of individuals affected. A 2013 breach of Yahoo! compromised the data of an estimated 3 billion individuals.

It’s unclear exactly when or how the breach occurred, according to the complaint, and the provider still hasn’t provided notice or warning to affected individuals as of the filing.

**WHAT ARE SOME
TOOLS AND
STRATEGIES TO
COMBAT THIS?**



Tools For Housing Fraud Investigators

- ① **Upfront Identity verification services**
- ① **Thompson Reuters CLEAR & CLEAR ID Confirm**
- ① **LexisNexis Accurint for Government/Investigations**
- ① **Access to utility company systems to verify accounts**
- ① **Metadata viewer apps if documents and photos are uploaded by applicants**
EXIF viewer for photos (GPS, Device type, dates, etc.)
- ① **Access to Register of Deeds, Tax Assessors, BS&A, etc. for ownership verification**
- ① **Access to DMV or Secretary of State for ID, DL, Vehicle, etc.**

Tools For Housing Fraud Investigators Part 2

- ① **Data sharing agreements with other agencies to fight fraud**
 - Database of known 'bad actors' (substantiated fraud)
 - Verification of other benefits at same address, same income reported, etc.
- ② **Fraud workgroups**
- ③ **Organizations such as IAFCI**
 - Training on latest fraud trends, emerging threats, how to identify and prevent, how other agencies and law enforcement are pursuing fraud
 - key contacts for fraud, through members across the country
 - IAFCI Housing and government assistance fraud working group coming soon

Tools For Housing Fraud Investigators Part 3

- ① **Guidebook for law enforcement and prosecutors on how to work & prosecute these government assistance and financial crimes cases**
- ② **Agreements or MOUs with State AG's to prosecute these cases directly**

QUESTIONS?

