

EMERGENCY RENTAL ASSISTANCE PROGRAM LANDLORD NO. 2

INVESTIGATIVE AUDIT SERVICES

Issued May 1, 2025

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May 1, 2025

TAYLOR F. BARRAS, COMMISSIONER OF ADMINISTRATION
LOUISIANA DIVISION OF ADMINISTRATION
Baton Rouge, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and do not constitute an examination or review in accordance with generally accepted auditing or attestation standards. Consequently, we provide no opinion, attestation or other form of assurance with respect to the information upon which our work was based.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report were delivered to the District Attorney for the 19th Judicial District of Louisiana, United States Attorney for the Middle District of Louisiana, and others as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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TABLE OF CONTENTS

	Page
Executive Summary	2
Background and Methodology	3
Finding and Recommendation:	
Misappropriation of Emergency Rental Assistance Program Funds by Program Participants	5
Legal Provisions.....	16
Management’s Response.....	Appendix A

EXECUTIVE SUMMARY

Misappropriation of Emergency Rental Assistance Program Funds by Program Participants

The Emergency Rental Assistance Program application submitted to the Office of Community Development (OCD) by a landlord and his tenants included false statements or misrepresentations of material facts. As a result, the landlord received \$89,360 in emergency rental assistance from OCD for eight rental properties located in Ascension, Livingston, and St. John the Baptist parishes. However, our investigative audit determined that the landlord was likely ineligible to receive \$60,182 of the \$89,360 in rental assistance benefits (67%) due to the following issues in the applications: (1) inclusion of tenants who did not apply for rental assistance, (2) listing of tenants who did not reside at the claimed property addresses, (3) falsely asserting ownership of certain rental properties he allegedly rented to the tenant(s), and/or (4) overstating rental amounts on the applications. Because the landlord and seven of the eight tenants submitted applications that appear to contain false statements or material misrepresentations, and the landlord received funds based on these inaccuracies, the landlord may have violated state and federal laws.

BACKGROUND AND METHODOLOGY

Emergency Rental Assistance Program

The State of Louisiana's Emergency Rental Assistance Program (ERAP) offered rental assistance to households affected by COVID-19 for rent payments incurred, beginning April 1, 2020. The ERAP program was funded as part of the \$900 billion COVID-19 response package enacted by Congress through the Consolidated Appropriations Act (Pub. L. No. 116-260) signed by President Donald Trump on December 27, 2020. Approximately \$25 billion was designated for rental relief, and Louisiana received \$309 million of that amount to assist renters and/or landlords seeking financial assistance with rent (or utilities) through State and locally-administered programs. The State Program, which is administered by the Division of Administration (DOA) through Louisiana's Office of Community Development (OCD), was distributed in 57 of Louisiana's 64 parishes.

The Program is designed to provide statewide emergency rental and utility assistance to individuals and households who are at risk of experiencing homelessness or housing instability due to the COVID-19 pandemic. Eligible applicants could receive assistance for rental payments in arrears up to 12 months and prospective rent payments for up to 3 months; therefore, the maximum total number of payments is for 15 months. Rental payments incurred prior to April 1, 2020, were not eligible for assistance.

The main objectives of the State ERAP are as follows:

- Keep people housed during the pandemic by preventing evictions for failure to pay rent.
- Serve maximum number of households as quickly as possible while prioritizing those in greatest need.
- Ensure equitable geographic distribution of assistance.
- Compensate landlords for unpaid rent during the pandemic.

Landlords must agree to the following to participate in ERAP:

- Have a tenant who is behind on rent and who agrees to apply to the ERAP program.
- Agree to terms of assistance and submit required documentation, including an IRS W-9 Form.
- Agree not to evict the tenant for past-due rent prior to April 2020.
- Agree not to evict the tenant for at least 60 days after assistance ends unless eviction is "for cause."

- Forgive penalties, interest, and court costs related to rent incurred between April 2020 and date of remittance of program rental assistance, with the exception of late fees up to \$100 per month, as prescribed within current lease terms.

Homestead Tax Exemption

Louisiana homestead exemption is a tax relief program for homeowners who own and occupy their primary residence. Only a homeowner's principal residence qualifies. The exemption allows homeowners to reduce the taxable value of their property by up to \$75,000.

DOA notified the Louisiana Legislative Auditor (LLA) of a potential misappropriation of ERAP funds involving program participants. The LLA initiated this investigative audit to determine the validity of this complaint.

The procedures performed during this audit included:

- (1) interviewing the landlord and tenants;
- (2) interviewing other persons, as appropriate;
- (3) examining selected ERAP and property tax exemption documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state and federal laws and regulations.

FINDING AND RECOMMENDATION

Misappropriation of Emergency Rental Assistance Program Funds by Program Participants

The Emergency Rental Assistance Program application submitted to the Office of Community Development (OCD) by a landlord and his tenants included false statements or misrepresentations of material facts. As a result, the landlord received \$89,360 in emergency rental assistance from OCD for eight rental properties located in Ascension, Livingston, and St. John the Baptist parishes. However, our investigative audit determined that the landlord was likely ineligible to receive \$60,182 of the \$89,360 in rental assistance benefits (67%) due to the following issues in the applications: (1) inclusion of tenants who did not apply for rental assistance, (2) listing of tenants who did not reside at the claimed property addresses, (3) falsely asserting ownership of certain rental properties he allegedly rented to the tenant(s), and/or (4) overstating rental amounts on the applications. Because the landlord and seven of the eight tenants submitted applications that appear to contain false statements or material misrepresentations, and the landlord received funds based on these inaccuracies, the landlord may have violated state and federal laws.^{1,2,3,4}

In response to COVID-19, the U.S. Congress appropriated funds for numerous programs, including emergency rental assistance. Louisiana's Emergency Rental Assistance Program (ERAP) provided statewide emergency rental assistance to help people who were at risk of experiencing homelessness or housing instability due to the COVID-19 pandemic. Eligible applicants may receive assistance for past-due rent and prospective rent payments or prospective rent payments only. Any funding for outstanding rent requested through ERAP must not have been paid, reimbursed, or duplicated by any other source (e.g., parish, city, federal, non-profit).

The Louisiana Division of Administration's OCD administered the ERAP for the State of Louisiana. Generally, both the landlord and each tenant were required to provide information during the application process. All payments were disbursed to the landlord on the tenant's behalf.

Landlord and tenant applicants are required to submit an application to a web-based application portal and provide documentation or certified self-attestation to validate eligibility and financial hardship. The following information was required of landlords and tenants to apply for ERAP benefits.

<i>Tenant</i>	<i>Documents</i>
Personal Information	Full name, valid contact email, rental unit size (No. of bedrooms), phone number, property address, and Social Security numbers of all household members
Proof of Obligation to Pay Rent	Valid lease or agreement detailing monthly rent amounts and additional terms
Proof of Current Housing Instability	Documentation detailing the risk of experiencing homelessness or housing instability such as a past-due rent notice, past-due utility notice, or an eviction notice
Photo Identification	Government-issued photo ID
Income Verification for the Household	Third-party income verification; for example, IRS 1040, W-2 wage statements, interest statements, unemployment compensation statements and/or notification of termination or furlough; or Self-Attestation by directing the program to use data from the Louisiana Workforce Commission
<i>Landlord</i>	<i>Documents</i>
Personal information	Full name, phone number, valid contact email, property/business name, property type (apartment, condo, duplex, etc.)
Lease documentation	Copy of current lease or other documentation demonstrating a rental agreement between landlord and tenant (examples include copies of rental checks, money orders, ledgers, etc.)
Amount of rental arrears for linked tenant	List of months of unpaid rent for each tenant
Proof of Taxpayer Identification	Social Security number or Form W-9 (taxpayer identification number)
Identity Verification	Government-issued photo ID (as part of the digital signature verification process)
Share Records with the Tenant	Landlord is advised to share a record of past-due rent, a current email, phone number, and a copy of the current lease with the tenant

To participate in ERAP, landlords must:

- Have a tenant who is behind on rent and who agrees to the ERAP program.
- Agree to terms of assistance and submit required documentation, including an IRS W-9 Form (Request for Taxpayer Identification Number and Certification).
- Not evict the tenant for past-due rent accrued before April 2020.
- Not evict the tenant for at least 60 days after assistance period ends, unless eviction is “for cause.”
- Waive penalties, interest, and court costs related to rent owed between April 2020 and date of the program rental assistance payment, except for late fees of up to \$100 per month, if specified in the lease agreement.

The landlord and eight tenants applied for rental assistance^A between May 27, 2021 and August 27, 2021, and the number of months of rental assistance approved for each tenant ranged from 7 to 11 months. All eight tenant applications indicated rent was not paid during their lease periods, which all started between September 1, 2020 and December 30, 2021.

The landlord and tenant applications show the monthly rent amount for the eight tenants ranged from \$800 to \$1,550. The following table summarizes the ERAP benefits received by the landlord.

^A The landlord and tenant applications were all submitted through the ERAP website. ERAP eligibility began with unpaid rent starting in April 2020.

ERAP BENEFITS RECEIVED BY THE LANDLORD					
Tenant	Application Certification Date	Last Date Worked	Lease Period From the Application	Monthly Rent Amount	Total ERAP Benefits Paid to Landlord
A	6/29/2021	1/1/2003	9/5/2020 to 9/5/2021	\$800	\$5,600
B	7/22/2021	1/6/2021	10/15/2020 to 10/22/2021	\$1,200	11,100
C	6/21/2021	3/24/2021	12/1/2020 to 11/30/2021	\$850	7,950
D	8/27/2021	5/1/2014	12/1/2020 to 12/30/2021	\$1,275	14,005
E	7/2/2021	3/23/2020	12/1/2020 to 12/30/2021	\$1,275	11,725
F	6/18/2021	2/14/2021	10/1/2020 to 9/5/2021	\$1,500	13,500
G	7/6/2021	8/15/2018	10/1/2020 to 10/1/2021	\$1,550	14,005
H	6/29/2021	6/29/2021	9/1/2020 to 9/30/2020 ^B	\$1,275	11,475
Total					\$89,360

Four-Plex Located in St. John the Baptist Parish

The following four properties (referred to as Units A, B, C, and D and allegedly occupied by four different Tenants: A, B, C, and D) comprise a four-unit building (a four-plex) owned by the landlord, which he purchased in 2018. The St. John the Baptist Parish Tax Assessor's (SJBTA) records show the landlord claimed Unit No. 3 (referred to as Unit C hereinafter) as his primary residence and claimed homestead exemption on it, suggesting he owned and occupied Unit 3. However, ERAP records show he claimed he was the landlord entitled to rental assistance on Unit C. The SJBTA and ERAP records show the landlord received a \$1,022 property tax reduction from claiming homestead exemption and \$38,655 for rental assistance applicable to the four-plex (\$7,950 of which was attributable to Unit C).

We also found numerous records, such as the (1) landlord's commercial driver's licenses issued February 15, 2018, January 25, 2019, and September 22, 2022; (2) Unemployment Insurance Claim dated April 27, 2020; (3) ERAP landlord application dated May 27, 2021; and (4) Act of Donation dated October 26, 2022,

^B The lease period on the application was from September 1, 2020 to September 30, 2020. An image of the residential lease was also loaded to the ERAP portal and shows the lease period was for September 1, 2021 to September 30, 2021. However, the landlord was paid for nine months of rent from February 2021 to October 2021.

to name a few, that show the landlord's residential address to be located in Livingston Parish, not at the four-plex in St. John the Baptist Parish.

Tenant A

The ERAP applications for the landlord and Tenant A state Tenant A rented Unit A in the four-plex from the landlord that is located in St. John the Baptist Parish for \$800 per month. The landlord's application was certified on May 27, 2021, and Tenant A's application was certified on June 29, 2021. The applications indicate Tenant A had not paid rent in four months (April 2021 to July 2021) and was in arrears for \$3,200. The applications were approved for the four months of unpaid rent and three additional months forward (\$2,400) for a total of \$5,600 for the period April 2021 to October 2021.



**Photo taken by LLA:
Four-Plex – Units A - D,
starting with Unit A in the rear
and ending with Unit D in the
front.**

OCD paid the landlord \$5,600 on a check dated August 6, 2021, for the period April 2021 to October 2021. The lease period for this property was September 5, 2020 to September 5, 2021.

Tenant A told us he paid his rent with cash or through Cash App but was behind with his rent payments for three or four months. He also said he was evicted^C by the Justice of the Peace in August 2021, two months before the ERAP benefits expired. As a result of the Tenant A's eviction in August 2021, the landlord should not have received \$1,600^D in rental assistance for the months of September 2021 and October 2021.

Tenant B

The ERAP applications for the landlord and Tenant B state Tenant B rented Unit B in the four-plex for \$1,200 per month. The landlord's application was certified on May 27, 2021, and Tenant B's application was certified on July 22, 2021. The applications indicate Tenant B had not paid rent for seven months (January 2021 to July 2021) and was in arrears for \$8,400. The approved arrears amount resulted in \$7,500^E.

The applications were approved for the seven months of unpaid rent and three additional months forward (\$3,600) for a total of \$11,100 for the period January 2021 to October 2021. OCD paid the landlord \$11,100 on a check dated

^C In order to participate in the state-administered program, landlords must agree not to evict the tenant for at least 60 days after assistance ends unless eviction is "for cause."

^D \$800 per month X two months = \$1,600.

^E Tenant B was recommended an award of \$11,100 based on seven months of past-due rent in the amount of \$7,500 and three months of forward rent in the amount of \$3,600. The past-due rent amount was reconciled by ERAP by using the lower amount requested by the landlord and tenant.

September 16, 2021. The lease period for this property was October 15, 2020 to October 22, 2021.

We made several phone calls to Tenant B, but there was no answer, and she did not return our calls. We also spoke to the tenant in Unit C (see Tenant C below), and she told us she lived in Unit C from 2018-2022 and that her cousin lived in Unit B for two months towards the end of 2021. No one else lived in Unit B while she was a tenant in Unit C.

In addition, Tenant B's Louisiana Identification Card dated July 22, 2021, shows her address to be Unit B. However, prior to July 22, 2021, Tenant B's address was located in LaPlace, Louisiana. Based on the information above, the landlord and Tenant B may have submitted false information on their ERAP applications, resulting in \$11,100 of rental assistance he was not entitled to receive.

Tenant C

The ERAP applications for the landlord and Tenant C state Tenant C rented Unit C in the four-plex in St. John the Baptist Parish from the landlord for \$850 per month. The lease period for this property was December 1, 2020 to November 30, 2021. The landlord claimed homestead exemption for Unit C as his primary residence, resulting in a \$1,022 property tax reduction during the period of the lease submitted to ERAP for Tenant C.

The landlord's application was certified on May 27, 2021, and Tenant C's application was certified on June 21, 2021. According to the applications, Tenant C had not paid rent in seven months (January 2021 to July 2021) and was in arrears for \$5,400. The applications were approved for the seven months of unpaid rent (\$5,400) and three additional months forward (\$2,550) for a total of \$7,950 for the period of January 2021 to October 2021. OCD paid the landlord \$7,950 on a check dated August 10, 2021.

Tenant C's unemployment application for this period shows an address in St. James Parish, and his driver's license showed an address in Union Parish, not in St. John the Baptist Parish at Unit C. However, the landlord's bank records listed multiple payments from January 2020 to May 2021 for Unit C, but the payments were not from Tenant C.

We spoke to the person that paid rent for Unit C,^F and she told us the following:

- She lived in Unit C with her children from 2018 through January 2022.
- She paid \$800 per month to the landlord to rent Unit C.

^F Her unemployment application had Unit C as her address during this period.

- Her monthly rent was paid by direct transfer of funds from her bank account to the landlord's bank account, as both of them used the same bank.
- Her rent was paid in full each month.

Based on the information above, it appears that the landlord may have submitted false information on applications, resulting in \$7,950 of rental assistance he was not entitled to receive.

Tenant D

The ERAP applications for the landlord and Tenant D state Tenant D rented Unit D in the four-plex from the landlord that is located in St. John the Baptist Parish for \$1,275 per month. The lease period for this property was December 1, 2020 to December 30, 2021. The landlord's application was certified on May 27, 2021, and Tenant D's application was certified on August 27, 2021.

The applications indicate Tenant D had not paid rent in eight months (August 2021 to March 2022). The applications were approved for the eight months of unpaid rent (\$10,186) and three additional months forward (\$3,819) for a total of \$14,005 for the period August 2021 to June 2022. OCD paid the landlord \$14,005 on a check dated March 31, 2022.

Both the landlord and Tenant D's applications claim they did not receive any duplicative benefit from another funding source. However, St. John the Baptist Parish Housing Authority (SJBHA) records show the landlord and Tenant D participated in the Section 8 program,^G and the landlord received \$6,292 from the SJBHA for rental assistance for Unit D for the same period he received ERAP benefits. Further, the SJBHA records show the monthly rent for Unit D was \$996,^H not \$1,275 per month as claimed on his and Tenant D's ERAP applications.

Tenant D told us the \$1,275 per month rent on the ERAP application was incorrect, and that she pays \$996 per month. SJBHA records also show the monthly lease amount was \$996. Since the monthly lease amount was \$996 and not \$1,275, and the landlord received Section 8 payments for part of the lease and Tenant D paid rent,^I it appears the landlord received \$13,157^J of ERAP funds he was not entitled to receive.

^G The Section 8 Housing Program is run by the United States Department of Housing and Urban Development and gives financial assistance to people who are struggling to pay rent.

^H The Section 8 benefit was \$572 per month, and Tenant D was required to pay \$424 for a total of \$996 per month.

^I Tenant D could not recall if she missed two payments.

^J Landlord was paid \$14,005 by ERAP for 11 months. According to Tenant D, she was not able to work for two of the 11 months (August and September of 2021) due to Hurricane Ida's landfall on August 29, 2021. According to the SJBHA, Tenant D's monthly rent share was \$424, resulting in a total of \$848 for the two months of unpaid rent to the landlord. Therefore, the landlord was not entitled to receive \$13,157 (\$14,005 minus \$848).

Tenant E

The ERAP applications for the landlord and Tenant E state Tenant E rented a mobile home from the landlord located in Ascension Parish for \$1,275 per month. The landlord's application was certified on May 27, 2021, and Tenant E's application was certified on July 2, 2021. The applications indicate Tenant E had not paid rent in seven months (January 2021 to July 2021) and was in arrears for \$7,900. The applications were approved for the seven months of unpaid rent and three additional months forward (\$3,825) for a total of \$11,725 for the period January 2021 to October 2021. OCD paid the landlord \$11,725 on a check dated August 10, 2021.

The lease period for this property (land and mobile home) was December 1, 2020 to December 30, 2021. Ascension Parish Tax Assessor records show the landlord did not own this property until November 3, 2022. Therefore, the landlord did not own this property during the period in which he claimed ERAP benefits and was paid \$11,725.



Photo Taken by LLA

On October 24, 2022, we interviewed the property owner of record as of this date, and she told us the following:

- Her son and his wife lived in the mobile home for the entire year of 2021.
- Her son and his wife moved out of the mobile home around April 2022.
- She did not file for rental assistance on this mobile home.
- She sold the mobile home and land to the landlord using an owner financing agreement.
- She transferred the mobile home and land to the landlord through an Act of Donation on November 3, 2022.
- She did not know anyone by the name of Tenant E.

It appears the landlord was not eligible to receive rental assistance in the amount of \$11,725 for this property because he did not own the property, and the owner of record said that her son and his wife lived in the mobile home during 2021 rent-free.

Based on the property owner's statement, her son and his wife moved out of the mobile home in April 2022. We were not able to locate and interview Tenant E, and the landlord was not able to provide contact information for Tenant E. Tenant E's Louisiana driver's license and Unemployment Insurance records show his address was in LaPlace, Louisiana, not Ascension Parish. Based on the information

above, it appears the landlord received \$11,725 of ERAP funds he was not entitled to receive.

Tenant F

The ERAP applications for the landlord and Tenant F state Tenant F rented a mobile home (B in photo at right) located in Ascension Parish from the landlord for \$1,500 per month. The landlord's



Double-wide mobile home is detached.

Photo Taken by LLA

application was certified on May 27, 2021, and Tenant F's application was certified on June 18, 2021. The applications indicate Tenant F had not paid rent for six months (January 2021 to June 2021) and was in arrears for \$9,000. The applications were approved for the six months of unpaid rent and three additional months forward (\$4,500) for a total of \$13,500 for the period January 2021 to September 2021. OCD paid the landlord \$13,500 on a check dated August 3, 2021.

Livingston Parish Assessor's (LPA) records show the property is located in Livingston Parish, not Ascension Parish as the applications claim, and that the landlord's mother owns the property. The LPA's records also show the property was purchased by a real estate company at a Livingston Parish Sheriff's tax sale on August 4, 2021, and redeemed by the family of the landlord's deceased mother on November 30, 2022.

Tenant F's personal driver's license shows her address was located in St. James Parish. In addition, Tenant F used an Ascension Parish address for her Unemployment Insurance claims in 2020 and 2021. The property manager of a mobile home park in Ascension Parish told us Tenant F and her mom rented a mobile home from them during the period of her ERAP claim. We contacted Tenant F and scheduled an interview on four occasions, but she canceled the interviews and never met with us.

The neighbor to this address told us the following:

- No one resided in the double-wide mobile home (B).
- The mobile (B) home (a double-wide) consists of two sections that were not connected during relevant times.
- Electricity could not be connected to the mobile home (B).
- The wooden house (A) in front of the mobile home (B) was not rented.

Based on the information above, it appears the landlord received \$13,500 of ERAP funds he was not entitled to receive.

Tenant G

The ERAP applications for the landlord and Tenant G state Tenant G rented a mobile home from the landlord located in St. John the Baptist Parish for \$1,550 per month. The landlord's application was certified May 27, 2021, and Tenant G's application was certified on July 6, 2021. The applications indicate Tenant G had not paid rent in eight months (December 2020 to July 2021) and was in arrears for \$10,186. The applications were approved for the eight months of unpaid rent and three additional months forward (\$3,819) for a total of \$14,005 for the period of December 2020 to October 2021. OCD paid the landlord \$14,005 on a check dated September 21, 2021.

The mobile home rented by Tenant G is located in a mobile home park in St. John the Baptist Parish. The property manager of the mobile home park told us the landlord rented space in the mobile home park for his mobile home. She stated that Tenant G is disabled and has lived in the mobile home at least since she arrived in August 2021. The applications for this tenant appear to be accurate.

Tenant H

The ERAP applications for the landlord and Tenant H state Tenant H rented a mobile home from the landlord located in St. John the Baptist Parish for \$1,275 per month. The landlord's application was certified on May 27, 2021, and Tenant H's application was certified on June 29, 2021. The applications indicate Tenant H had not paid rent in six months (February 2021 to July 2021) and was in arrears for \$7,650. The applications were approved for the six months of unpaid rent and three additional months forward (\$3,825) for a total of \$11,475 for the period of February 2021 to October 2021. OCD paid the landlord \$11,475 on a check dated September 21, 2021.



Photo Taken by LLA

We interviewed Tenant H, and he told us the following:

- He typically paid his rent with cash.
- There were two or three instances he paid his rent through Cash App.
- The landlord picked up the cash payments directly from him.
- The landlord did not provide him with a receipt.

- The landlord and a white female, identified as Tenant F from a Facebook profile picture, asked him for his phone number, email address, and a copy of his driver's license.
- The above information was used by Tenant F to complete his (Tenant H's) ERAP application.
- Tenant F used his mobile phone to complete and submit Tenant H's application.

Cash App records show Tenant H made rent payments to the landlord in February 2021 (\$400) and March 2021 (\$750) for a total of \$1,150 during the period the landlord and tenant applications claim Tenant H did not make rent payments. As a result, it appears the landlord received \$1,150 of ERAP funds he was not entitled to receive.

SUMMARY OF INELIGIBLE ERAP BENEFITS			
Tenant	Benefits Received by Landlord	Date of Check from State of Louisiana	Amount of Ineligible ERAP Benefits
A	\$5,600	8/6/2021	\$1,600
B	11,100	9/16/2021	11,100
C	7,950	8/10/2021	7,950
D	14,005	3/31/2022	13,157
E	11,725	8/10/2021	11,725
F	13,500	8/3/2021	13,500
G	14,005	9/21/2021	0
H	11,475	9/21/2021	1,150
Total	\$89,360		\$60,182

Since the information submitted to OCD for the landlord and seven of the eight tenant ERAP applications appears to contain documents with false statements or material misrepresentations, and the landlord received \$60,182^K in benefits he was not entitled to, the landlord may have violated state and federal laws.^{1,2,3,4,5}

Recommendation

We recommend the Louisiana Division of Administration consult with legal counsel to determine the appropriate actions to take, including recovery of ineligible payments to the landlord.

^K The landlord also received \$1,022 from SJBTA's Homestead Tax Exemption for Unit C in the four-plex he rented and received funds from ERAP.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67(A)** states, "Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

² **La. R.S. 14:133(A)** states, "Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact."

³ **La. R.S. 14:70.9(A)** states, "The crime of government benefits fraud is the act of any person who, with intent to defraud the state or any person or entity through any government benefits administered by any state department, agency, or political subdivision, does any of the following: (1) Presents for allowance or payment any false or fraudulent claim for furnishing services, merchandise, or payments. (2) Knowingly submits false information for the purpose of obtaining greater compensation than that to which he is legally entitled for furnishing services, merchandise, or payments. (3) Knowingly submits false information for the purpose of obtaining authorization for furnishing services, merchandise, or payments. (4) Knowingly makes or causes to be made a false statement or representation of material fact on an application or form for assistance, goods, services, or payments when the false statement or representation is made for the purpose of determining the person's eligibility to receive benefits or payments. (5) Knowingly conceals or fails to disclose any material fact affecting the applicant's or recipient's initial or continued eligibility to receive benefits or payments."

⁴ **18 U.S.C. §1343** states, "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both."

⁵ **LA. CONST. Art. 7, §20** states, "The bona fide homestead, consisting of a tract of land or two or more tracts of land even if the land is classified and assessed at use value pursuant to Article VII, Section 18(C) of this constitution, with a residence on one tract and a field with or without timber on it, pasture, or garden on the other tract or tracts, not exceeding one hundred sixty acres, buildings and appurtenances, whether rural or urban, owned and occupied by any person or persons owning the property in indivision, shall be exempt from state, parish, and special ad valorem taxes to the extent of seven thousand five hundred dollars of the assessed valuation. The same homestead exemption shall also fully apply to the primary residence, including a mobile home, which serves as a bona fide home and which is owned and occupied by any person or persons owning the property in indivision, regardless of whether the homeowner owns the land upon which the home or mobile home is sited; however, this homestead exemption shall not apply to the land upon which such primary residence is sited if the homeowner does not own the land."

APPENDIX A

Management's Response

Office of Community Development
State of Louisiana
Division of Administration

JEFF LANDRY
GOVERNOR



TAYLOR F. BARRAS
COMMISSIONER OF ADMINISTRATION

April 30, 2025

Mr. Michael J. Waguespack, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

RE: Misappropriation of Emergency Rental Assistance Program Funds by Program Participants

Dear Mr. Waguespack:

The Division of Administration (DOA), Louisiana Office of Community Development – Disaster Recovery LOCD-DR concurs with the results and recommendation of the audit report concerning the misappropriation of Emergency Rental Assistance Program (ERAP) funds by program participants.

According to the audit, a landlord and multiple tenants submitted ERAP applications that included false or misleading information, resulting in the disbursement of approximately \$89,360 in rental assistance. Of this amount, \$60,182 (67%) was determined to have likely been awarded inappropriately due to tenant misrepresentation, inaccurate residency claims, false property ownership assertions, and/or overstated rental amounts. While the program management acted in good faith based on the information provided by the applicants, it appears that certain individuals may have knowingly submitted false or misleading information to obtain program benefits.

Management takes these findings seriously and will consult with legal counsel to determine the appropriate course of action, including the potential recovery of funds determined to have been obtained through misrepresentation. We remain committed to safeguarding public resources and will continue to enhance program oversight measures to mitigate the risk of future occurrences.

The contact person responsible for the corrective action is Ginger Moses, LOCD-DR Chief Operating Officer.

If you have questions or require additional information, please feel free to contact me.

Sincerely,

DocuSigned by:

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Gina Campo, Executive Director, Louisiana Office of Community Development – Disaster Recovery

C: Taylor Barras, Commissioner of Administration
Patrick Goldsmith, Deputy Commissioner
Nancy Keaton, Assistance Commissioner - Finance
Erin Sindelar, Internal Audit Administrator