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Office of Inspector General

Investigative Report

130130-01

August 20, 2014

Chris Hirst, Inspector General

Enhancing Public Trust in Florida's Affordable Housing

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Chris Hirst, Inspector General

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Office of Inspector General
Investigative Report
Mr. Anderson Scott Hall
Case Number: 130130-01

PREDICATE

On January 30, 2013, the Office of Inspector General (OIG) received an email from Mr. John Doyle, an employee from the Hardest Hit Fund (HHF) Advisor Agency, Family Foundations of Northeast Florida. Mr. Doyle was assigned by the advisor agency to do a review of Anderson Scott Hall's (a HHF recipient) file. Mr. Doyle indicated in his email that he had read an article in the local Jacksonville newspaper indicating that Mr. Hall had been indicted for fraud in the operation of a fraudulent investment scheme. It also stated that federal prosecutors were charging him with mail and wire fraud. The losses were estimated at about \$4 million from investors and purchasing luxury items and commercial real estate for his own use. Mr. Doyle questioned whether Mr. Hall would be eligible to receive HHF funds given the nature of the reported charges and determined that it was appropriate to send the article to the OIG's attention.

After reviewing the correspondence from Mr. Doyle, the OIG worked with the advisor agency and HHF Program staff to verify that Mr. Hall had been indicted as noted in the article. After verifying the article, the OIG notified HHF program management and confirmed all funds made on Mr. Hall's behalf were recovered.

PURPOSE SCOPE AND METHODOLOGY

The purpose of this investigation was to gather sufficient evidence to allow the OIG to determine if the concerns reported by the Advisor Agency could be verified. To do so, the OIG:

- Reviewed HHF eligibility requirements;



- Corresponded with the complainant and the applicant via email and telephone;
- Evaluated HHF application information and supporting documentation available in CounselorDirect¹;
- Researched information on publicly available websites;
- Made inquiries with the Federal Department of Justice regarding the progress of Mr. Hall’s criminal case;
- Informed HHF management regarding the status of the criminal case;
- Interviewed related parties via phone.

EVIDENCE GATHERED

Application Process

On October 1, 2012 Mr. Hall completed and signed his HHF application. He indicated that his hardship included a recent significant decrease in income and difficulty finding employment. He noted that his prior employer was Abaco Pointe Financial, LLC. and that he had held positions of “Financial Advisor” and “Marketing”. He had been receiving unemployment since May 5, 2012.

Mr. Hall was able to provide all of the required eligibility documentation, and his file was approved by Florida Housing’s underwriters on April 24, 2013. His servicer approved the HHF loan and the first payment made on his behalf was June 20, 2013.

Confirmation of Indictment

Mr. Doyal, the advisor assigned to review Mr. Hall’s application, notified the OIG of the media article regarding the indictment on January 30, 2013. The OIG then contacted Mr. Hall on February 21, 2013 and he confirmed that he was under federal indictment. The OIG obtained the federal indictment filed by the United States District Court, Middle District of Florida, Jacksonville Division. ² The OIG also discovered that Mr. Hall had initially been investigated by the Office of Financial Regulation, Bureau of Financial Investigations who subsequently worked with the Federal Bureau of Investigations on this case.

The indictment dated, June 26, 2013, notes that Mr. Hall is accused of defrauding retiree investors, including Duval county school teachers and administrators, out of funds and converting them to personal use, commercial real estate, and for the payment of other investors. The grand jury found that the various schemes resulted in defrauding investors out of approximately \$5,000,000.

¹ CounselorDirect is a web-based system used by applicants, advisors and underwriters to enter, store and maintain HHF files.

² Case No.3,3-cr-15(s1)-J_99TJC-TEM

As a result of the indictment charges, Florida Housing requested the servicer bank to return the funds provided so far on Mr. Hall's behalf. The funds were returned on September 5, 2013

MATTERS OF CONCERN

Additionally, Mr. Hall did not accurately report his prior employment on his HHF application. He refers to a position as financial advisor and marketing for Abaco Pointe Financial, LLC. However, the federal indictment referred to his business activity for the following six entities for which he held various role from the mid 1990's until May of 2012:

- Abaco Securities International, Ltd. was registered in the Turks and Caicos Islands, British West Indies and was under the directorship of Anderson Scott Hall;
- Abaco Investment Group, Inc. (AIG), was a Florida corporation and Anderson Scott Hall was the president and Chief Operating Officer of that company;
- Abaco Pointe Financial, LLC, (APF) was a Florida corporation and Anderson Scott Hall was the registered agent and manager of that company;
- CEH Properties, LLC, (CEH) was a Florida corporation and Anderson Scott Hall was the manager of that company;
- Montaque Investment Property and Property Management, Inc. was a Florida corporation and Anderson Scott Hall was the registered agent, Chief Executive Officer, President, and Director of that company; and
- Properties of E & H, LLC, was a Florida corporation and Anderson Scott Hall was the Vice-President of that company.

If convicted of these felony charges of mail and wire fraud, Mr. Hall would be ineligible for HHF funds. The HHF eligibility requirements require applicants to acknowledge that they have not been convicted in connection with a mortgage or real estate transaction: (a) felony, larceny, theft, fraud or forgery; (b) money laundering; or (c) tax evasion within the past ten years. The indictment includes allegations related to recovery of several real estate properties.

CONCLUSION

The OIG confirmed that Mr. Hall was under federal indictment for defrauding investors by operating a sham investment company and converting funds to luxury and commercial real estate purchases. Advisor agency staff showed appropriate due diligence in finding and reporting this issue to the OIG. HHF management was notified and took appropriate action to suspend his account until the outcome of the trial.

Mr. Anderson entered a guilty plea to four felony counts in his indictment and is facing a statutory maximum of 80 years. He is currently awaiting sentencing.

RECOMMENDATIONS

The OIG will forward this report to U.S. Treasury in accordance with HHF procedures.

This investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations. Under the authority of Section 20.055 (6)(d), Florida Statutes