



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



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Investigative Report

2021-0017

DNA Real Estate LLC – False Statements on CARES Act Grant Application

March 14, 2022



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INVESTIGATIVE REPORT 2021-0017

DATE ISSUED: March 14, 2022



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DNA REAL ESTATE LLC – FALSE STATEMENTS ON CARES ACT GRANT APPLICATION

SUMMARY

WHAT WE DID

In April 2021, the Palm Beach County (County) Office of Inspector General (OIG) conducted a review in which we cross-checked Small Business Administration (SBA) Paycheck Protection Program (PPP) recipients with Palm Beach County (County) CARES for Business Restart Business Grant (Restart Grant) recipients. The review revealed that Aviram Amir submitted an application for a \$25,000 County Restart Grant on behalf of DNA Real Estate LLC (DNA) after the SBA had approved DNA for a PPP forgivable loan for \$27,125. If Mr. Amir had disclosed in DNA's Restart Grant application that it had received a PPP forgivable loan, as required, DNA would not have received a \$25,000 Restart Grant.

Based upon our review of DNA's Restart Grant application and available PPP databases, the OIG initiated an investigation of the following allegation:

Allegation (1): Mr. Amir made false statements in DNA's Restart Grant application, which resulted in improper grant funding from a County program funded by the CARES Act.

Our office reviewed DNA's Restart Grant application, DNA's SBA PPP loan documents, the funding agencies' eligibility program guidelines, and DNA's financial records. We also interviewed Mr. Amir.

WHAT WE FOUND

We found sufficient evidence to **support** the allegation.

DNA received PPP funding on April 20, 2020 through TD Bank, for \$27,125. DNA's owner and managing member, Aviram Amir, completed and submitted a County Restart Grant application on behalf of DNA on May 22, 2020. Mr. Amir did not disclose the receipt of PPP funds on the Restart Grant application, as required. Thereafter, the County awarded DNA a Restart Grant of \$25,000, for which it was not eligible. The inappropriate Restart Grant resulted in Identified Costs¹ of \$25,000.

We found sufficient information to warrant referring our finding that Mr. Amir made false statements on DNA's Restart Grant application to the State Attorney's Office for a determination of whether the facts

¹ Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

arise to criminal acts under section 817.03, Florida Statutes.

We also found sufficient information to warrant referral of our finding to the United States Attorney's Office for a determination of whether the DNA application constitutes a violation of Title 18, Chapter 47, section 1001, United States Criminal Code.

WHAT WE RECOMMEND

We make one recommendation, that the County seek reimbursement of \$25,000 in issued funds.

BACKGROUND**The CARES Act**

On March 1, 2020, Florida Governor Ron DeSantis directed the State Health Officer to issue a public health emergency in the State of Florida due to the COVID-19 pandemic. On March 13, 2020, then-Palm Beach County Mayor Dave Kerner declared a state of emergency in the County due to COVID-19.

On March 27, 2020, the President signed the CARES Act into law. The CARES Act allocated \$2.2 trillion in economic relief to individuals, businesses, and governments affected by COVID-19. State governments were allocated a total of \$139 billion based on their populations (as measured by the U.S. Census Bureau in 2019), with no state receiving less than \$1.25 billion. Florida received a total of \$8.328 billion, with \$261,174,832 of that total provided to Palm Beach County.

On May 15, 2020, the Palm Beach County Board of County Commissioners approved the Restart Business Grant Program. The County dedicated \$50 million of the approximately \$261 million allocated to it for businesses with 25 or fewer employees and dedicated \$10 million to businesses with more than 25 employees. Businesses located in the County that met certain criteria, including the following, were eligible to apply:



- Operating since October 1, 2019 and still operating on February 29, 2020;
- Not a publicly traded company;
- Not a non-profit organization; and
- Had not received any COVID-19 relief funds in the form of a grant or forgivable loan exceeding \$25,000.

Eligible businesses included:

- Agriculture;
- Child Care Centers;
- Gyms and Fitness Studios;
- Hair Salons, Nail Salons, Barber Shops;
- Health Care Services and Medical Offices;
- Retail - Physical Brick/Mortar Stores; and
- Restaurants, Caterers, Bakeries

Eligible uses of Restart Grant Program funds included:

- Salaries/Payroll;
- Inventories;
- Commercial lease, mortgage, or rent payments; and
- Utilities.

Restart Business Grant Applications

The County accepted online applications for the Restart Grant program during the following periods:

- May 22, 2020 - June 12, 2020
- September 25, 2020 - October 9, 2020
- October 26, 2020- November 6, 2020

The maximum grant was \$25,000 for the first two of the three application periods. The maximum grant was \$15,000 for the third period. Before accessing, completing, and submitting the grant application, users were required to register with the Restart Grant portal by creating a user name and password and answering a ten-question eligibility questionnaire. The application asked for information including the business' name, address, type, and number of employees. The application also asked for the name, title, and percentage of ownership for each person with an ownership interest in the business.

The application listed 11 certifications, affirmations, and acknowledgements. Applicants were required to affirm the 11 certifications, affirmations, and acknowledgements by digitally checking a box next to each one.

Included among those certification, affirmation, and acknowledgement was the following:

I certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate. I understand that **knowingly making a false statement** in this application may subject me to criminal prosecution and penalties in accordance with applicable law, including, but not limited to, Chapter 817, Florida Statutes, and Chapter 47, United States Code, which may include up to five years' imprisonment and/or up to a \$250,000 fine. **I further understand that, if it is determined that any of the requirements of the federal CARES Act are found to not be satisfied in connection with my application and/or grant award, Palm Beach County retains the right to seek reimbursement of any disbursed funds.** [Emphasis added]

The final page of the application required the applicant's digitally typed signature.

The County Department of Housing and Economic Development (DHED) assigned submitted applications to a contracted first reviewer, who ensured that applicants

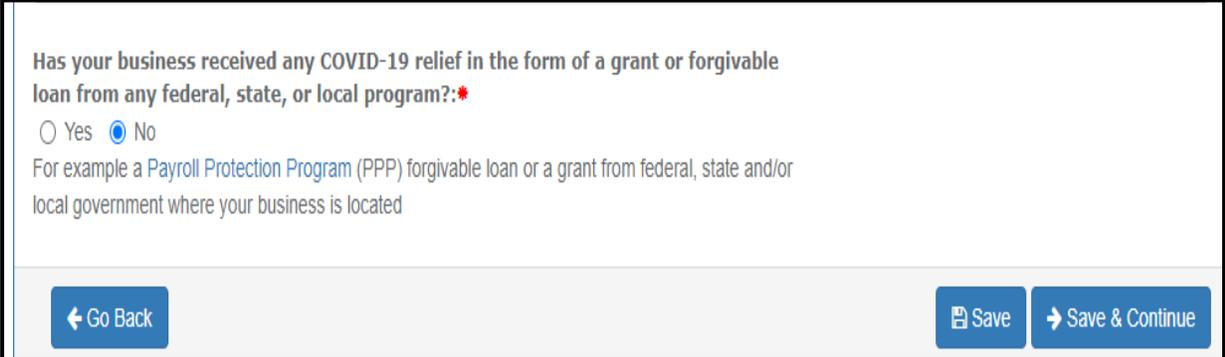
entered all required information and included all supporting records. If an application lacked a required record, the first reviewer called the primary contact listed on the application. The first reviewer then returned the application via the portal, and a system-generated email was sent to the applicant that provided instructions on logging in and resubmitting the application with the additional information. Returning an application removed the checks in the boxes next to the certifications, affirmations, and acknowledgements, and removed the name from the signature line. The applicant had to re-check each certification, affirmation, and acknowledgement, and re-type the name on the signature line before re-submitting it with all required information.

First reviewers also calculated the grant amount for eligible applicants. The amount of revenue listed in the corporate tax return provided with applications was the primary factor in determining the need for the requested grant amount.

A second reviewer who worked for either DHED or the County Office of Equal Business Opportunity then confirmed that the application was properly completed and that the business's tax identification number (TIN) matched the documents submitted. Once the grant applications were reviewed by DHED twice, the applications went to the County Purchasing Department, which has access to the Internal Revenue Service database, to ensure the TIN on the grant application was legitimate and the information provided matched information in the IRS database. If the TIN matched, the Purchasing Department would notify DHED so that DHED could complete its approval process. If DHED approved the application, DHED emailed a request for payment to the County Finance Department of the Clerk and Comptroller's Office. The Clerk and Comptroller's Office issued checks payable to the business and mailed them to the business at the address provided in the application.

Question 17 of the County Restart Business Grant Application

The Restart Grant application has an Eligibility Questionnaire section with ten questions, an Application section with 18 questions, a Certification and Affirmations section, and an Acknowledgement section. Question 17 in Application section asked the following:



Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program?*

Yes No

For example a Payroll Protection Program (PPP) forgivable loan or a grant from federal, state and/or local government where your business is located

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If the answer was “Yes,” an “Enter Amount” box opened and additional text appeared, stating the following:

- If “YES”, please provide documentation (such as executed Promissory Notes, Grant Agreements etc.) to verify how much relief your business received.
- If “YES”, **any amounts your business received will be deducted** from any potential award your business may receive from the Restart Business Grant Program. [Emphasis added]

Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program?*

Yes No

For example a Payroll Protection Program (PPP) forgivable loan or a grant from federal, state and/or local government where your business is located

Enter Amount:*

\$

- If “YES”, please provide documentation (such as executed Promissory Notes, Grant Agreements etc.) to verify how much relief your business received
- If “YES”, any amounts your business received will be deducted from any potential award your business may receive from the Restart Business Grant Program

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SBA PPP Loans

The SBA PPP is a \$953 billion business loan program established by the United States federal government in 2020 through the CARES Act to help certain businesses, self-employed workers, sole proprietors, certain nonprofit organizations, and tribal businesses continue to pay their workers.



The PPP provides forgivable emergency loans so that businesses can keep and rehire employees. As a result, if the recipient of the PPP loan timely applies for forgiveness and spends the PPP loan proceeds are spent on payroll, rent, mortgage interest, or utilities, the United States government will forgive the loan.

DNA Real Estate LLC

DNA Real Estate LLC is a Florida Limited Liability Company established on February 22, 2013. At the time of DNA’s PPP loan application and its Restart Grant application, Aviram Amir was DNA’s managing member and registered agent.

ALLEGATIONS AND FINDINGS

Allegation (1):

Mr. Amir made false statements in DNA Real Estate LLC’s Restart Grant application, which resulted in improper grant funding from a County program funded by the CARES Act.

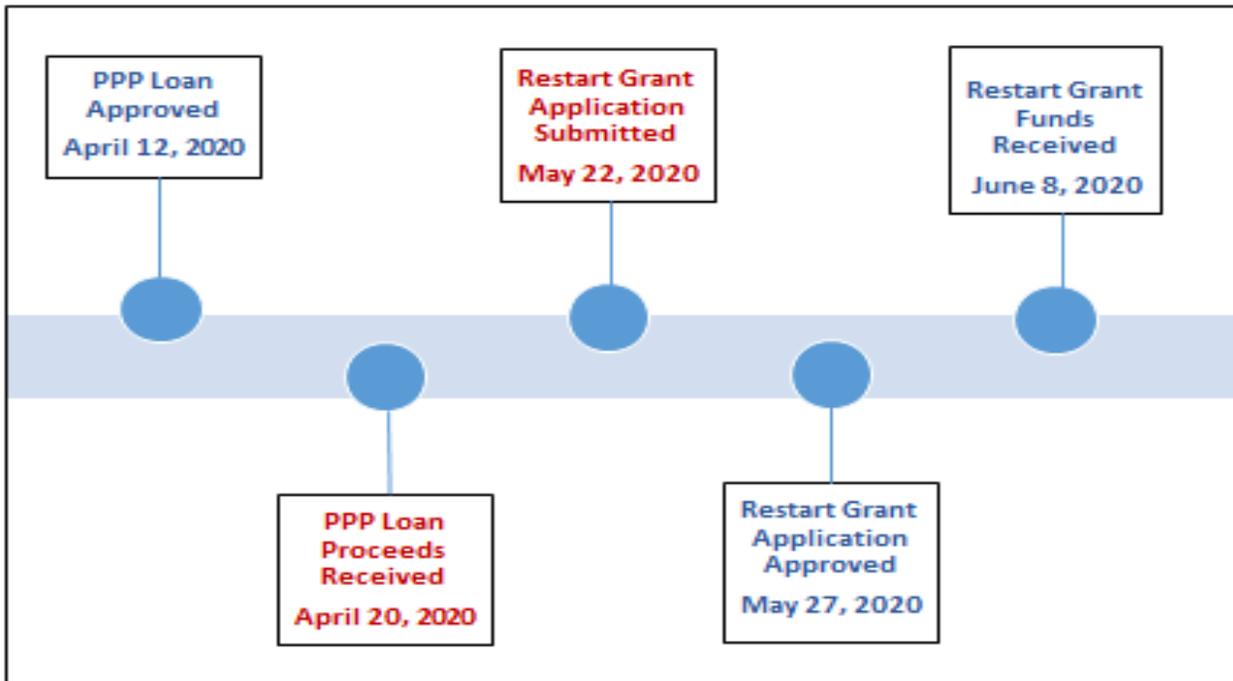
Governing Directives:

Palm Beach County CARES for Business Restart Business Grant application guidelines.

Finding:

The information obtained **supports** the allegation.

The following OIG timeline details DNA’s PPP and Restart Grant application and receipt of funding dates:



DNA’s PPP Forgivable Loan

The OIG examined open source records that revealed DNA received a PPP loan through TD Bank. The OIG then obtained and reviewed DNA’s PPP Loan records from TD Bank. The records showed that Mr. Amir submitted a PPP loan application for DNA on April 3, 2020.

Paycheck Protection Program Borrower Application Form		OMB Control No. 3245-0407 Expiration Date: 09/30/2020	
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other		DBA or Tradename if Applicable	
Business Legal Name Dna Real Estate ,LLC		Dna Real Estate Services	
Business Address 20283 State Rd. 7 ,#104 ,Boca Raton, FL 33498		Business TIN (EIN, SSN) [REDACTED]	Business Phone (561) 666 - 8822
		Primary Contact Avi Amir	Email Address Avi@dnareal.us
Average Monthly Payroll:	\$ 10,850	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 27,125
Purpose of the loan (select more than one):		Number of Employees: 1	
<input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain):			
Signature of Authorized Representative of Applicant  Aviram Amir Print Name		Date 04/03/20 Mgr Title	

The SBA confirmed that on April 12, 2020, the SBA approved a PPP loan to DNA for \$27,125. The OIG’s review of DNA’s financial records showed that on April 20, 2020 the funds were deposited into DNA’s business bank account.

DNA REAL ESTATE LLC DBA REAL ESTATE SERVICES AVIRAM AMIR	Page: 3 of 7 Statement Period: Apr 01 2020-Apr 30 2020 Cust Ref #: [REDACTED] Primary Account #: [REDACTED]
04/20 CREDIT TRANSFER, 31879035401DD	27,125.00

OIG review of the bank account that received these funds showed Mr. Amir opening the account and as the only signatory for the account. Statements for that account have been sent to “DNA Real Estate LLC DBA Real Estate Services Aviram Amir.”

DNA’s Restart Grant Application

On May 22, 2020, Mr. Amir electronically signed and submitted a Restart Grant application on behalf of DNA, and listed himself as manager and 100 percent owner of the business. Mr. Amir responded “No” to Question 10 of the Eligibility Questionnaire, “Has the business received any COVID-19 relief funds in the form of a grant or forgivable loan from federal, state and/or any local government exceeding \$25,000?”

10. Has the business received any COVID-19 relief funds in the form of a grant or forgivable loan from federal, state and/or any local government exceeding \$25,000? Yes No ✓
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Mr. Amir also answered “No” to question 17 of the Restart Business application, “Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program? For example a Payroll Protection Program (PPP) forgivable loan...”

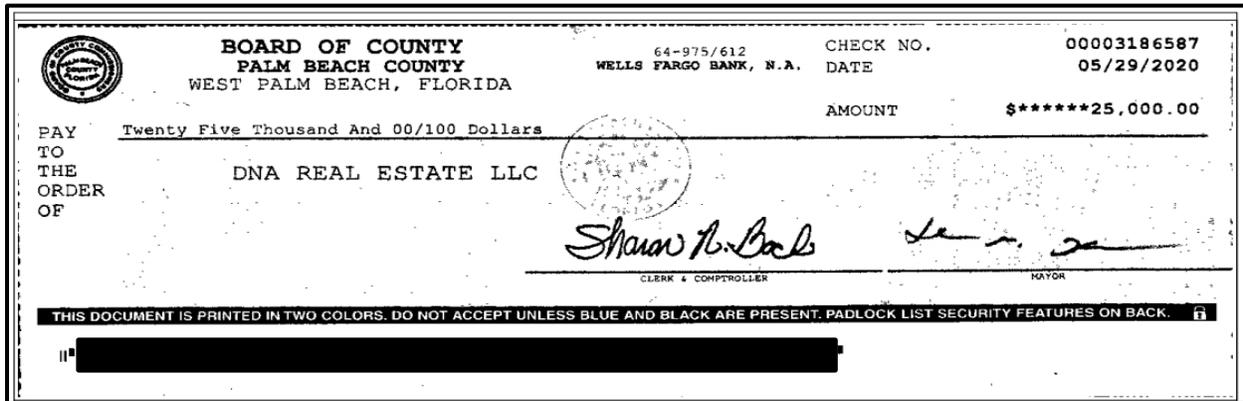
17. Has your business received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program?
 For example a [Payroll Protection Program](#) (PPP) forgivable loan or a grant from federal, state and/or local government where your business is located

No

DHED approved the application on May 27, 2020.

Restart Business Grant Payment to DNA

On May 29, 2020, the County issued check #00003186587 for \$25,000 to DNA.



On June 8, 2020, this check was deposited into DNA’s business bank account.

DNA REAL ESTATE LLC 20283 STATE RD 7 STE 104 BOCA RATON FL 33498-6902		Page: 1 of 3 Statement Period: Jun 04 2020-Jun 30 2020 Cust Ref #: [REDACTED] Primary Account #: [REDACTED]
Deposits		
POSTING DATE	DESCRIPTION	AMOUNT
06/08	DEPOSIT	25,000.00
Subtotal:		25,000.00

Mr. Amir also answered “No” to Question 17 on the application, which asked whether the applicant business had received any COVID-19 relief in the form of a grant or forgivable loan from any federal, state, or local program, and specifically listed “Payroll Protection Program (PPP) forgivable loan” as an example of relief that needed to be disclosed. Mr. Amir’s answer was untrue and inaccurate.

Information provided by Mr. Amir on DNA’s Restart Grant application was not true and accurate as he certified, and as required per the application. **As a result, DNA improperly received \$25,000.** The allegation is **supported**.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs: \$25,000

ACKNOWLEDGEMENT

The Office of Inspector General’s Investigations Division would like to thank the County Department of Housing and Economic Development staff for their cooperation throughout this investigation.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends that the County seek reimbursement of \$25,000 of inappropriately issued funds.

RESPONSE FROM MANAGEMENT

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, the County was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. Their written response is:

The County concurs with the IG recommendation included in OIG Investigation 2021-0017 that the County pursue action to recoup the \$25,000 in Restart Business funding granted to DNA Real Estate based on inaccurate and untrue declarations included in the application.

RESPONSE FROM MR. AMIR

Pursuant to Article XII, Section 2-427 of the Palm Beach County Code, Aviram Amir was provided the opportunity to submit a written explanation or rebuttal to the findings as stated in this Investigative Report within ten (10) calendar days. His written response is attached to this report as Attachment A.

This Investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.

ATTACHMENT A

03/08/2022

Att. Inspector Mr. Stuart Robinson
OIG Case: 2021-0017

Dear Inspector Robinson,

I am written to you today regarding the subject case.

Our company, DNA Real Estate LLC, is a property manager of 3 vacation rentals her in palm beach county , we have the licenses and we pay the tourist taxes every month on time for the last 8 years when we incorporated .

The legal owner of these properties is 104 Andover Court LLC.

when the pandemic started many if not all reservation cancelled for all future months.

On the grant application I specifically asked to receive the funds towards those vacant properties.

104 Andover Court LLC didn't have at the time any employees, which was a criteria for the grants from the county, therefore the application was made on the name of DNA Real Estate LLC.

It was an unfortunate mistake.

The loss of business and the amount of cancellation of reservations made us ask desperately for liquidity.

We had, at the time, appx. \$6,000 per month expenses on the 3 properties combined, such as mortgage payments, HOA payments, insurances Etc.

I really want to provide proofs and documents to support my statement, and if you agree I will do so.

The criteria and the technicality that the county inserted at the application grant where very difficult to overcome, not to mention the short time frame to submit the application and the number of times the website glitched.

I am an honest person who manages a respectful property management company for the last 8 years in Palm Beach County.

I am asking to reconsider the severity of acts and hopefully not press charges against me personally as my intentions were good and the hurt due the pandemic were really hard financially and mentally.

Thank you for your time and consideration

Aviram (Avi) Amir