

D.E.R.A. Organization

February 22, 2009

Mr. President, Barack Obama
2900 Pennsylvania Avenue
White House
Washington, D.C.

Comment Line

Fax: xxx-xxx-xxxx

RE: Public Housing Authorities
Undetected Misappropriation of Federal Funds Nation-Wide

Dear President Obama:

Millions, if not billions of federal dollars are being misappropriated annually by Public Housing Authorities' management nation-wide through non-payments/withholdings of P.H.A. tenants Monthly Utility Allowance payments.

This activity goes undetected because state HUD Public Housing program offices are no longer required to approve local P.H.A. Annual Energy Audits studies nor Utility Allowances Schedules (24 CFR 965.302 and 965.502(d)). However, the federal regulations at 24 CFR 965.507 still require that each public housing agency perform an Annual Review or Audit of tenant's utility allowances in order to make any necessary cost adjustments in utility allowances payments annually on a monthly basis due to P.H.A. tenants.

But, state HUD Public Housing program offices have placed local state Public Housing Authorities on an Honor System. State offices only use HUD meetings and brochures as warnings to P.H.A.'s backed up by infrequent on-site field monitoring reviews of P.H.A. agencies. How, then, does HUD state offices know whether or not state P.H.A.'s are in compliance nation-wide?

The Douglas Energy Relief Association community organization discovered that our Small Douglas, Georgia Public Housing Authority had been out of compliance with federal law for 10 years regarding P.H.A. tenants utility allowances monthly payments!

D.E.R.A. blew the whistle! And Ms. Nicole Faison, Director of Public Housing programs for the Nation in Washington, D.C., had Ms. Darlene Felton, her assistant, whose exemplary work under the Director's order corrected the problem.

The final reimbursement amounts owed to former and current Douglas P.H.A. tenant residents identified amounted to approximately \$138,873.00, as reported by the Atlanta, Georgia Director of Public Housing.

They identified 408 former P.H.A. residents and 97 current P.H.A. residents affected by the Utility Allowances errors. Errors? DERA says, “fraud and misappropriation of federal funds” made possible by HUD’s “Honor System,” infrequent on-site field monitoring reviews and HUD’s federal rules and regulations 24 CFR 965.302 and 965.502(d), respectively.

President Obama this problem needs some major work and very serious attention. There are 97 P.H.A.’s in the State of Georgia alone and tens of thousands nation-wide!

This is both a prophecy and a warning for you to be aware and plug up this dike before the dam breaks and floods the national treasury!

Public Housing Authorities management nation-wide left on their own merit on an Honor System without proper government controls, rule changes, checks and balances, fiscal accountability and transparency will steal billions of dollars and go undetected through the Public Housing Authorities tenants Monthly Utility Allowances payment system program.

The D.E.R.A. community organization’s former HUD government employees are open and available for staff or consultant work with the HUD Obama Administration to assist in these or other administration problems.

Sincerely Yours,

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Native of Douglas, Georgia
DERA Founder and Representative
Former HUD Senior Federal Investigator