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October 10, 2012

## Via Electronic Transmission

The Honorable Shaun Donovan  
Secretary  
U.S. Department of Housing and Urban Development  
Robert C. Weaver Federal Building  
451 Seventh Street  
Washington, DC 20410

Dear Secretary Donovan:

For over two years, I have been investigating the many problems found at public housing authorities (PHAs) across the country. Most recently, I asked you to explain reports of high salaries and fringe benefits at PHAs, questions about New York City Housing Authority (NYCHA) spending, questionable activities at the Port Arthur (TX) Housing Authority, and conference spending by HUD. I have not yet received responses to these inquiries and have not been told when to expect them.

Additionally, it appears that a significant number of executive directors and other PHA officials have abused the take-home vehicle perk. Managers, Board members, and even some family members have been allowed to use PHA vehicles with little or no oversight. Officials have stated that the vehicles are necessary in order to respond to emergencies, but these officials have never responded to or, due to their position, have no reason to respond to an emergency. Additionally, the PHAs have been lax in enforcing the required driving logs that would provide a comprehensive picture of vehicle use.

Earlier this year, the *Modesto Bee* reported that the Stanislaus County Housing Authority “spent more than \$165,000 in four years buying new cars and pickups for its eight managers.”<sup>1</sup> The *Modesto Bee* had a difficult time obtaining the necessary logs, let alone reviewing them to determine vehicle usage. According to the article, “[S]ome of the vehicle logs were nearly illegible or incomplete. There were only three months of vehicle logs for the deputy director of the housing choice voucher program and no logs for the deputy director of asset management.” Though scant, the logs showed that only one property manager ever responded to an emergency call, yet the housing authority picks up the annual vehicle expenses for all managers.

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<sup>1</sup> Kevin Valine; “Stanislaus Housing Authority spends big on vehicles for managers”; *Modesto Bee*; <http://www.modbee.com/2012/04/05/2146281/stanislaus-housing-authority-spends.html>

Further, according to a recent article in the *Philadelphia Inquirer*,<sup>2</sup> the Philadelphia Public Housing Authority (PPHA) only recently cracked down on the number of agency vehicles it provided to employees as take-home vehicles. The Interim Executive Director recently took a long-overdue step of recalling an additional 40 vehicles which brought the total down to 19. More incredible than the 200 vehicles available for PPHA employees to use as they pleased, the PPHA paid employee gas and maintenance charges. The article states that the president and administrator of the Resident Advisory Board respectively, have charged over \$3,000 for gas this year and over \$4,000 for repairs since 2010.

The type and prices of many of these take-home vehicles also raises questions about whether they are a necessity or simply a high-priced status symbol. According to a recent article in the *Houston Chronicle*,<sup>3</sup> the Harris County (TX) Housing Authority executive SUVs sold at auction included: “a 2008 Chevrolet Tahoe, a 2011 Jeep Cherokee formerly driven by ousted CEO Guy Rankin IV, a matching 2011 Cherokee driven by Rankin’s right-hand man, David Gunter (who resigned in March after being placed on administrative leave), and a 2011 Chevrolet Avalanche driven by former chairman Casey Wallace.” The housing authority also donated five brand new Chevy Tahoes to the Office of Emergency Management following Hurricane Ike. The vehicles were described by the county fleet director as “\$50,000 Tahoes – really nice, LTZ, top-equipped.”

With PHAs across the country facing significant financial challenges now and in the coming years, I continue to be concerned about questionable spending for unnecessary vehicles draining precious resources from the core mission of providing safe and affordable housing for those in need. Therefore, I am requesting the following information for each of the 25 largest PHAs included in Attachment 1 along with information from HUD headquarters:

1. Provide the HUD regulations pertaining to the purchase and use of take-home vehicles by public housing authority and HUD headquarters employees.
2. Document the total number of take-home vehicles for each PHA and at HUD headquarters.
3. Document the make, model, model year and cost of each take-home vehicle for each PHA and at HUD headquarters.

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<sup>2</sup> Jennifer Lin and Mark Fazlollah; “No more free cars at the Philadelphia Housing Authority”; *Philadelphia Inquirer*;

[http://www.philly.com/philly/news/homepage/20120803\\_No\\_more\\_free\\_cars\\_at\\_the\\_Philadelphia\\_Housing\\_Authority.html](http://www.philly.com/philly/news/homepage/20120803_No_more_free_cars_at_the_Philadelphia_Housing_Authority.html)

<sup>3</sup> Mike Morris; “County Housing Authority unloads executive SUVs”; *Houston Chronicle*;

<http://blog.chron.com/houstonpolitics/2012/07/county-housing-authority-unloads-executive-suvs>

4. Document the total number of employees at each PHA and at HUD headquarters with take-home vehicle privileges, as well as the reasons for this privilege.
5. Document the total number of fuel cards currently issued to each PHA and HUD headquarters, and the individuals with the authority to use the cards.
6. Document the total expenses for take-home vehicles paid by the PHA and HUD headquarters, including fuel, insurance and maintenance.

In addition, please provide an estimate of the date on which you will reply to my previous letters outlined above. Thank you in advance for your prompt attention to this matter. I would appreciate receiving your response to this matter by October 31, 2012. Should you have any questions regarding this matter, please do not hesitate to contact Janet Drew or Brian Downey of my staff at (202) 224-5225.

Sincerely,



Charles E. Grassley  
Ranking Member

cc: The Honorable David A. Montoya  
Inspector General  
Office of the Inspector General  
U.S. Department of Housing and Urban Development

Attachment

# ATTACHMENT 1

<b>Name of PHA</b>	<b># of take- home vehicles</b>	<b># of employees with take home vehicles</b>	<b>Make and model of take- home vehicles</b>	<b># of fuel cards</b>	<b># of employees with fuel card privileges</b>	<b>Total take- home vehicle expenses paid each year</b>
HUD						
New York City, NY						
Puerto Rico						
Chicago, IL						
Philadelphia, PA						
Boston, MA						
Cleveland, OH						
Baltimore, MD						
Washington, DC						
Alaska Housing Finance Corporation						
New Orleans, LA						
Los Angeles, CA						
Seattle, WA						
Miami- Dade, FL						

San Francisco, CA						
Newark, NJ						
Atlanta, GA						
Cincinnati, OH						
Milwaukee, WI						
Detroit, MI						
Portland, OR						
Charlotte, NC						
Oakland, CA						
Hartford, CT						
Albany, NY						
Rochester, NY						