



U.S. Department of Housing and Urban Development  
Office of Inspector General for Audit, Midwest  
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AUDIT MEMORANDUM  
00-CH-211-1804

December 15, 1999

MEMORANDUM FOR: Edward J. Hinsberger, Director, Chicago Multifamily Hub

FROM: Dale L. Chouteau, District Inspector General for Audit, Midwest

SUBJECT: YMCA of Metropolitan Chicago Foundation  
Project Number IL06CS95004

At the request of the United States Attorney's Office in Chicago, we completed a limited review of the books and records of the YMCA of Metropolitan Chicago Foundation/Harvey YMCA Senior Housing. This review was based on allegations that the Foundation intentionally allocated repair, supplies and other costs to the HUD subsidized housing facility that should have been charged to the YMCA parent organization, a non-HUD subsidized entity.

Our review was performed between January 1999 and May 1999, covering the period January 1997 through March 1999, as specified by the Assistant United States Attorney.

The results of our review were presented to the Assistant United States Attorney on May 14, 1999, who used the review results to negotiate a settlement agreement between HUD and the YMCA. The settlement, which contains no admissions by the YMCA, calls for restitution payments to be paid to HUD totaling \$197,317 over a four-year period.

As a result, we consider this audit assignment to be closed.

If you or your staff have any questions, please contact me at (312) 353-7832.

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