



U.S. Department of Housing and Urban Development
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District Inspector General for Audit

May 8, 1997

**Audit Related Memorandum
No. 97-PH-211-1807**

MEMORANDUM FOR: Edward J. Palombizio, Director, Multifamily
Division, Pittsburgh Area Office, 3EHM

FROM: Edward F. Momorella, District Inspector General
for Audit, Mid-Atlantic, 3AGA

SUBJECT: Survey of Multifamily Mortgagor Operations
Fairview Apartments
Fairmount Apartments
Meadville, Pennsylvania

We surveyed the operations of Fairview and Fairmount Apartments to determine whether the owner and management agent complied with the Regulatory Agreement and HUD requirements.

We interviewed asset management branch staff, reviewed area office files, the latest IPA audit reports, and management and physical inspection reports. We visited the management agent, interviewed staff, tested financial transactions, and reviewed other relevant data. We visited both projects, interviewed on-site staff, and selected five tenant files from each project for review, and performed HQS inspections.

We assessed the physical condition and maintenance of the projects, leasing and occupancy practices, financial management and general management practices.

Our HQS inspections disclosed the need for Ground Fault Interrupt (GFI) electrical outlets in the bathroom medicine cabinets of both projects. No reportable deficiencies were found in the other areas reviewed.

Survey results were discussed with project management. They stated that the GFI outlet condition will be corrected. Based on survey results, we have concluded that no additional audit work is necessary. However, your staff should confirm the resolution of the GFI condition during their next physical inspection of both projects.

If you have any questions please contact Irving I. Guss, Assistant District Inspector General for Audit at (215) 656-3401.

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