



U.S. Department of Housing and Urban Development
New England Office of District Inspector General
for Audit, 1AGA
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Room 370
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Boston, Massachusetts 02222-1092

Audit Related Memorandum
No: 99-B0-183-1801

December 22 , 1998

MEMORANDUM FOR: Miniard Culpepper, Assistant General Counsel, 1AC

FROM: William D. Hartnett, District Inspector General, Office of Audit, 1AGA

SUBJECT: Analysis of Project Funds
West Street Apartments
New Haven, Connecticut

Per your request, we examined the Project's three bank accounts to determine the disposition of funds from September 1, 1996 to July 24, 1998. Our review identified \$1,871,062.09 disbursed to a total of 103 payees. Payees who received a total disbursement of less than \$750 were not reviewed, (\$11,864.90). Because of the inadequate accounting records, we could only substantiate \$195,086.81 as eligible project related expenses. As a result, \$1,664,110.38 should be considered as a possible diversion from Project operations during this period. In our prior review, we identified \$347,254.84 as unauthorized distributions to the Owner, thus, we suggest you seek damages for equity skimming in the amount of \$2,011,365.22.

The Owner was unable to demonstrate that the disbursements made during this period of time were incurred in accordance with the Regulatory Agreement. In addition, the Owner needs to account for \$16,723 in tenant rents and \$16,442 in negative rents owed tenants. If these amounts are not substantiated, you should also seek damages against the Owner for these potential diversions.

Background

On July 12, 1995, Michael Kantrow, as General Partner (Owner) and Management Agent, ceased making payments on the HUD insured mortgage. On August 1, 1995, the HUD insured mortgage of West Street Apartments was declared in default.

In January 1996, we began a review of West Street Apartments since the Project's annual audited financial statements showed indications of possible equity skimming. We determined that the Owner diverted \$347,254.84 in unauthorized distributions from March 4, 1993 to August 31, 1996. On March 27, 1996, the mortgage of West Street Apartments was assigned to HUD.

On April 25, 1996, an equity skimming case against the Owner of West Street Apartments, with the assistance of the HUD Boston Office of General Counsel staff, was presented to the United States Attorney's Office, District of Connecticut. The case was accepted and out of court settlement negotiations began. HUD requested the Owner to replace his Identity of Interest Management Agent with one acceptable to HUD. HUD formally declared the Owner of West Street Apartments in technical default of the Regulatory Agreement. A request was made to the Assistant Secretary of Housing to suspend the Owner.

On September 13, 1996, the United States Attorney's Office, with guidance from the Boston Office HUD Attorneys, filed a complaint in U.S. District Court alleging, that the Owner (1) failed to pay mortgage payments on West Street Apartments since July 1995; (2) skimmed Project equity in excess of \$330,000 which includes over \$220,000 paid directly to the Owner since the mortgage default; and (3) failed to replace the Identity of Interest Management Agent as instructed by HUD. The Government sought double damages, constructive trust on all Project assets received in violation of the Regulatory Agreement, possession of the property, and a preliminary injunction preventing the Owner's use of assets for other than applicable expenses. As of September 20, 1996, the \$4.2 million dollar mortgage of West Street Apartments was \$684,424 in arrears.

On September 30, 1996, HUD issued a suspension to Kantrow and his affiliated company, Premier Management Company, suspending them from doing any new business with HUD pending a debarment hearing. In October 1997, the defendant's request for a debarment hearing was withdrawn. Subsequently, Kantrow and his affiliated management company were indefinitely debarred from participating with HUD and throughout the Federal Government.

In November 1996, West Street Associates Limited Partnership, the Owner/mortgagor of West Street Apartments, filed for Chapter 11 bankruptcy. Court proceedings in the equity skimming litigation were subsequently stayed. In January 1997, the Government filed motions to dismiss the bankruptcy case and relief from the automatic stay to permit foreclosure of the property. On June 26, 1997, an agreed upon stipulation of dismissal of the bankruptcy action was entered by the bankruptcy court. Under the stipulation, HUD agreed to forgo resumption of foreclosure and the double damages litigation in District Court until July 21, 1997, in exchange for dismissal of the bankruptcy with a 360 day restraint to re-file. The Boston Office HUD General Counsel staff played an instrumental roll in obtaining the dismissal of the bankruptcy case.

On July 23, 1997, a motion was filed in Connecticut Federal District Court to reopen the double damages civil litigation against the Owner of West Street Apartments, its General Partner, and its Identity of Interest Management Company based on improper distributions of Project funds.

On December 1, 1997, the parties involved met with the court and agreed to file summary judgment motions on December 19, 1997, with reply briefs on January 12, 1998, instead of going to trial. On January 26, 1998, the Government filed a motion seeking possession of West Street Apartments as a sanction for the defendants' failure to respond to discovery request for documents.

On July 20, 1998, the court granted the Government's motions for summary judgment and motion for possession of West Street Apartments. The defendants' cross motions for summary judgment were denied. On July 24, 1998, HUD took possession of West Street Apartments. Since the Project default on August 1, 1995 until July 24, 1998, the Owner collected the rents and the Section 8 subsidies while not making any mortgage payments and not providing any monthly financial reports to HUD. As of October 1, 1998, the Project is in foreclosure and the mortgage was accelerated. The total amount due HUD is \$6,276,130.42.

Results of Review

The Management Agent did not maintain an adequate accounting system to ensure the proper accountability of Project funds. Because the accounting records failed to meet basic accounting standards, there is no assurance the financial transactions were proper. Our review disclosed that:

- Transactions were not posted to the general ledger.
- Financial records are not closed at the end of each fiscal year.
- Accounting records were, at times, incomplete and contained inconsistencies.
- Supporting documentation was not maintained.

Deposits in the Project Bank Accounts - \$1,825,562.31

We analyzed the deposits made to the three checking accounts to assure all Section 8 Subsidy payments were deposited and to identify the source of other funds. The Section 8 Subsidy payments were verified to the New Haven Housing Authority records. However, due to the poor record keeping, we were not able to verify the accuracy of the tenant rents and other deposits.

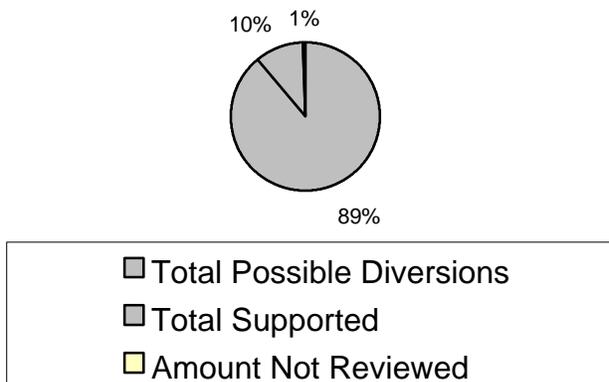
Source Of Deposits	Amount
Section 8 Subsidy	\$1,595,848.00
Tenant Rents	\$ 135,601.00
Other	\$ 94,113.31
Total	\$1,825,562.31

We analyzed the Owner’s Section 8 requisitions for the period September 1996 to July 1998. The New Haven Housing Authority disbursed \$1,595,848 which agrees to the amount deposited in the West Street bank account. Based on the Owner’s certification, Premier Management was responsible for collecting \$152,324 from the tenants. We could only identify \$135,601 as tenant rents collected leaving an unaccountable difference of \$16,723. In addition, the Owner requested negative tenant rents of \$16,442 on the Section 8 requisitions. Negative tenant rents are adjustments for utility allowance which the tenants are suppose to receive from the Management Agent. Although the funds were deposited in the Project’s bank accounts, there was no evidence that the funds were ever paid to the tenants.

Possible Diversions Totaling \$1,664,110.38

Our review of the bank account statements identified \$1,871,062.09 disbursed to 103 payees. We could only substantiate \$195,086.811e disbursements related to the West Street Apartment operations and identified \$1,664,110.38 as possible diversions of Project funds. We did not review \$11,864.90 paid to 37 payees who received less than \$750.

Total Disbursements = \$1.87 million



In most cases, the supporting documentation provided by the Management Agent for the disbursements failed to adequately support the costs charged to the Project. Our review disclosed:

- Project funds disbursed to various entities with the checks deposited into the Owner’s bank account.
- Disbursements made for non-project related costs.

- Various invoices and Project’s payroll not allocated to the Owner’s other activities.
- Invoices did not identify that goods and services were used for West Street Apartments.
- Unsupported costs (no documentation).

The following examples illustrate the Management Agent’s failure to properly maintain reasonable documentation to adequately support the disbursements of the West Street Apartments. In the examples, we provided details for \$1,180,073.07 of the \$1,504,288.19 in possible diversions. A complete list of disbursements to payees with the amount of possible diversions is shown in Appendix A. Thirty-three payees received \$324,215.12 in possible diversions and are not included in the examples (Appendix A footnote (a)). The \$324,215.12 is considered a possible diversion due to the lack of supporting documentation and/or the payments are not Project related.

Premier Management (Management Agent)

The Management Agent received a total of \$716,402.17 which could be a possible diversion of Project funds.

Description	Amount of Possible Diversion	Reason
Management Fees	\$159,822.19	Agent not approved by HUD
Payroll Reimbursement	\$386,615.13	See details below.
Other/Miscellaneous	\$104,138.40	34 checks issued to Premier Management without adequate support. The checks ranged from \$495 to \$8,300. 22 checks deposited into Owner’s own account (\$70,195.19)
IRS P.R. Deposit	\$ 18,281.43	Unsupported - payroll related charge (check # 56)
Unsupported Payroll	\$ 15,247.19	(check # 44 & 305)
Advanced Mgmt. Fees	\$ 9,300.00	Unallowable expense (check # 099 & 1132)
Legal Fees	\$ 7,152.48	Unsupported (check # 70)
Outside Labor	\$ 6,500.00	Unsupported checks deposited into Owner’s own account
Exchange	\$ 6,070.00	Unsupported - See details below.
Employee Bonus	\$ 3,275.35	Check indicates “employee bonus”, supporting invoice describes repairs (check # 38)
Total	\$716,402.17	

Management Fees

HUD instructed the Owner to replace Premier Management as the Project’s management agent, however the Owner did not comply with HUD’s instructions. Since Premier

Management was not approved by HUD during the period, we are considering the payments as possible diversions.

Payroll Reimbursement

The following employees were charged to payroll during the 23 months:

Employee	Title	Amount Charged
George Kelly	Maintenance Supervisor	\$99,500.00
Alan Faulkingham	Maintenance Employee	\$58,409.62
Juan Robles	Maintenance Employee	\$50,346.87
George Kelly, JR.	Maintenance Employee	\$ 6,678.00
Unknown	Maintenance Employee	\$ 6,886.85
Sophie Stoyak	Administrative Employee	\$ 60,248.89
Mary Venuto	Administrative Employee	\$ 7,516.00
Wanda Aponte	Administrative Employee	\$ 2,250.00
Unknown	Administrative Employee	\$ 10,828.15
Unknown	Bookkeeper	\$ 100.00
Employer Taxes		\$ 63,195.49
Workers Compensation		\$ 19,734.80
Employee Taxes/Workers Compensation		\$ 920.58
Miscellaneous Errors - Reconcilable Items		(\$.12)
Total		\$386,615.13

The Management Agent did not maintain supporting documentation to show where the employees worked, such as work orders, and the basis for charging the payroll to the West Street Apartments Project. Michael Kantrow and his associates operate various businesses both commercial and residential properties in the New Haven area. The payroll journal kept by the Management Agent does not show any allocated charges to the other activities of the Management Agent. The Maintenance Supervisor and Maintenance Employees are charged 100% to the West Street Apartments for 40 hours per week. There is no assurance that these employees worked exclusively on the West Street Apartment Project.

We found two West Street Apartment checks issued to Premier Management and identified as payroll reimbursements. However, there are no payroll records to substantiate the validity of these payments.

Description	Amount
Check # 44 - identified as payroll -employees not identified	\$ 11,216.31

Check # 305 - identified as payroll -employees not identified	\$ 4,030.88
Total	\$ 15,247.19

Exchange

Four checks issued to Premier Management Company did not have supporting documentation and were identified as “Exchange” in the Cash Disbursement Journal. The endorsement on the checks indicate that the four checks were deposited in the owner’s account. These checks are as follows:

Check Number	Date	Amount
112	October 16,1997	\$1,145
158	December 2, 1997	\$ 500
228	February 27, 1998	\$2,350
268	March 21, 1998	\$2,075
Total		\$6,070

Other Unsupported Wages

In addition, the following persons were paid directly from the West Street Apartments bank accounts for Outside or Temporary. Labor. There was no supporting documentation to show that these people worked at the West Street Apartment Project site and not at other locations.

Person	Amount
Jessie Criscuolo	\$ 6,905
George Kelly Jr.	\$ 5,821
Luber Mayberry	\$ 4,816
Theadora Targuino	\$ 1,475
Alan Faulkingham	\$ 1,251
Total	\$20,268

Cash Removed from Bank Account

We identified disbursements of \$44,640.05 which we believe may be unauthorized withdrawals by the Owner.

Payee	Check Number	Date	Amount	Total
Check	2046	August 27, 1996	\$ 3,987.00	
Check	2045	August 30, 1996	\$ 4,175.00	
Check	2068	September 19, 1996	\$ 4,750.00	
Check	2067	September 20, 1996	\$ 3,000.00	
Check	2074	September 20, 1996	\$ 15,000.00	
SubTotal				\$30,912.00
M. C. Kantrow	1069	April 11, 1997	\$ 1,500.00	
Michael C. Kantrow	1102	May 16, 1997	\$ 691.25	
Michael Kantrow	2123	January 15, 1997	\$ 1,800.00	
Michael Kantrow	27	August 19, 1997	\$ 847.50	
Michael Kantrow	85	October 1, 1997	\$ 467.80	
Michael Kantrow	106	October 15, 1997	\$ 850.00	
Michael Kantrow	144	November 13, 1997	\$ 727.50	
Michael Kantrow	180	December 24, 1997	\$ 900.00	
Michael Kantrow	213	February 12, 1998	\$ 300.00	
Michael Kantrow	288	May 11, 1998	\$ 750.00	
Sub Total				\$ 8,834.05
Other	no #	September 30, 1996	\$ 3,904.00	
Sub Total				\$ 3,904.00
Cash	1003	December, 13, 1996	\$ 450.00	
Cash	251	March 25, 1998	\$ 540.00	
Sub Total				\$ 990.00
TOTALS				\$44,640.05

There is no indication for what the items listed as “Checks”, “Other” and “Cash” were used for or even who received the funds. The canceled checks were removed from the bank statements.

Deposits into Owner’s Bank Account

We identified disbursements of \$314,061.24 paid to four different companies and where the majority of the checks (\$240,322.18) were deposited back into the Owner’s personal bank account. In addition, each company utilized generic invoices that did not disclose the companies address and phone number. The companies and the amounts paid are:

Payee	Amount Paid	Amounts Deposited in Owner’s Acct.
Inner City Repair	\$221,493.10	\$211,730.10
W & D Contractors	\$ 65,093.14	\$ 17,277.18
G & L Builders	\$ 17,415.00	\$ 3,765.00
R.K. Electric	\$ 10,060.00	\$ 7,550.00
Total	\$314,061.24	\$240,322.18

Inner City Repair

The majority of the disbursements to Inner City Repair were unsupported. Of the 76 disbursements to Inner City Repair; 73 checks were deposited directly into the Owner’s

own personal checking account; 1 check was deposited in the Management Agent's account; and 2 were unsupported with no deposit account identified on the canceled check. We also found that 1 of the 73 checks was recorded as being paid to Inner City in the Cash Disbursement Journal while the check written to Premier Management. The invoices that were prepared did not identify the location where the work was performed.

W & D Contractors

Of the 20 disbursements to W & D Contractors; 10 disbursements were unsupported, with 6 of the 20 checks were deposited directly to the Owner's own personal account. There was no indication where the funds were deposited for the 14 checks. The invoices reviewed did not identify the location where the work was performed.

G & L Builders

This company is operated by family members of the Project's maintenance supervisor, George Kelly. Of the 6 disbursements to G & L Builders; 4 disbursements were unsupported, with 1 of those disbursements going directly to the Owner's personal account; and 2 disbursements had invoices, but no indication where the funds were deposited.

Given the relationship between this company and the Project's maintenance supervisor, the fact that at least one of the checks was deposited into the Owner's own account, and the lack of supporting documentation, all disbursements to this company could be possible diversion of funds. The invoices prepared did not identify the location where the work was performed.

R.K. Electric

Of the 3 disbursements to R.K. Electric; all 3 checks were deposited directly into the Owner's own personal checking account. Also, there were no supporting invoices to identify where the work was performed.

Non-Project Related Disbursements/Unsupported Costs

We identified numerous checks that were issued to Attorneys totaling \$181,970.06. The services, when indicated, were not related to Project operations, and all other disbursements were unsupported.

Payee	Check Number	Date	Amount	Total
Robert S. Evans, Trustee	2105	November 18, 1996	\$ 45,000.00	
Robert Evans, Trustee	201	January 22, 1998	\$ 5,000.00	
Robert Evans, Trustee	247	March 20, 1998	\$ 5,000.00	

Payee	Check Number	Date	Amount	Total
Robert Evans, Trustee	269	April 21, 1998	\$ 5,000.00	
Sub Total				\$ 60,000.00
R. Evans/M. C. Kantrow, Trust (Mortgage)	1051	March 21, 1997	\$ 17,000.00	
Fleet Bank Trust (Mortgage)	1067	April 10, 1997	\$ 17,000.00	
R. Evans/M. C. Kantrow, Trust (Mortgage)	1089	May 12, 1997	\$ 17,000.00	
Sub Total				\$ 51,000.00
Atty. Robert Evans	1050	March 21, 1996	\$ 5,000.00	
Atty. Robert Evans	1071	April 14, 1997	\$ 5,000.00	
Atty. Robert Evans	64	June 11, 1997	\$ 7,500.00	
Atty. Robert Evans	107	June 13, 1997	\$ 3,582.56	
Atty. Robert Evans	63	September 11, 1997	\$ 640.00	
Atty. Robert Evans	103	October 14, 1997	\$ 7,500.00	
Atty. Robert Evans	132	November 10, 1997	\$ 7,500.00	
Atty. Robert Evans	297	May 16, 1998	\$ 5,000.00	
Atty. Robert Evans	314	June 11, 1998	\$ 2,500.00	
Atty. Robert Evans	330	July 9, 1998	\$ 2,500.00	
Sub Total				\$ 46,722.56
Cumming's Lockwood	2110	November 18, 1996	\$ 13,872.50	
Sub Total				\$ 13,872.50
Robert Evans, P. C.	175	December 10, 1997	\$ 10,000.00	
Sub Total				\$ 10,000.00
Atty. Herbert Hyman	17	December 18, 1996	\$ 375.00	
Sub Total				\$ 375.00
Total				\$181,970.06

Credit Card Payments

There were payments to three Oil/Gas credit card companies totaling \$12,896.26. Supporting credit card slips do not identify the vehicles for which the purchases were made. The purchases were made in Connecticut, Massachusetts, Vermont, New Hampshire, New York, New Jersey, Pennsylvania, Virginia, North Carolina, South Carolina, Georgia and Florida. The disbursements made were as follows:

Payee	Number of Payments	Amount
Texaco	22	\$ 7,845.76
Mobil Oil Credit Corp.	14	\$ 4,059.59
Sunoco	19	\$ 990.91
Total		\$12,896.26

Payments to New Haven Savings Bank (NHSB)

There were 33 disbursements to the New Haven Saving Bank totaling \$74,319.22. We identified two payments totaling \$24,549.74 which directly related to a transfer of funds between accounts.

The 31 checks paid to the NHSB totaling \$49,769.48 were for unsupported payments. The 31 disbursements are as follows:

Check No	Date	Amount	Wife's Loan	Comments	Description
2091	10/30/96	\$ 2,465.04	\$2,465.04	Notes-WIFE	Unsupported
2108	11/11/96	\$ 616.26	\$ 616.26	Notes-WIFE	Unsupported
2117	11/21/96	\$ 100.00		DIP Tax Account	Open NHSB Tax Acct.
1049	03/20/97	\$ 4,880.26		Equity loan	Unsupported
1052	03/21/97	\$ 1,232.52	\$ 1,232.52	Note-WIFE	Unsupported
1075	04/19/97	\$ 1,232.52	\$ 1,232.52	Note-WIFE	Unsupported
1091	05/13/97	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
117	06/13/97	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
1126	06/16/97	\$ 1,640.20			Unsupported
No Check No.	07/02/97	\$ 4,469.53		Payroll Taxes (starter Ck?)	Unsupported
No Check No.	07/08/97	\$ 3,767.03		Crest Vehicle Exp.(Purchase Izuzu)	Unsupported
12	07/17/97	\$ 1,561.64		Equity loan	Unsupported
13	07/17/97	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
39	09/05/97	\$ 1,848.78	\$ 1,848.78	Note-WIFE	Unsupported
41	09/05/97	\$ 1,950.00		Rent	Unsupported
42	09/05/97	\$ 5,528.35		Int.	Unsupported
51	09/08/97	\$ 1,950.00			Unsupported
95	10/10/97	\$ 1,613.70		Equity loan	Unsupported
96	10/10/97	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
142	11/14/97	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
143	11/14/97	\$ 1,613.69			Unsupported
181	12/31/97	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
200	01/22/98	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
214	02/16/98	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
238	03/18/98	\$ 616.28	\$ 616.28	Note-WIFE	Unsupported
244	03/20/98	\$ 4,379.94		Loan	Unsupported
262	04/15/98	\$ 908.62		Loan	Unsupported
298	05/19/98	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
311	06/10/98	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
316	06/12/98	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
333	07/13/98	\$ 616.26	\$ 616.26	Note-WIFE	Unsupported
		\$49,769.48	\$15,406.52		

We found that the Owner continued to use Project funds to pay for a Bank loan made to his wife in August 1990. For this loan, we identified 18 loan payments totaling \$15,406.52 from October 30, 1996 through July 13, 1998. This loan was identified as a personal loan during the previous review.

**West Street Apartment
New Haven, Connecticut
Summary of Disbursements by Payee**

Payee	Rental Acct. NHSB	Debtor NHSB Account	Debtor Fleet Account	Total	Amount of Possible Diversion
Premier Mgmt. - Payroll Reimbursement	\$256,189.28	\$33,438.23	\$96,987.62	\$386,615.13	\$386,615.13
Premier Mgmt. - Mgmt. Fees	\$114,602.44	\$5,842.52	\$39,377.23	\$159,822.19	\$159,822.19
Premier Mgmt. - Other/Miscellaneous	\$75,129.40	\$4,750.00	\$24,259.00	\$104,138.40	\$104,138.40
Premier Mgmt. - IRS P.R. Dep.	\$18,281.43			\$18,281.43	\$18,281.43
Premier Mgmt. - Unsupported Payroll	\$15,247.19			\$15,247.19	\$15,247.19
Premier Mgmt. - Advanced Mgmt. Fees			\$9,300.00	\$9,300.00	\$9,300.00
Premier Mgmt. - Legal Fees	\$7,152.48			\$7,152.48	\$7,152.48
Premier Mgmt. - Outside Labor	\$3,500.00		\$3,000.00	\$6,500.00	\$6,500.00
Premier Mgmt. - Exchange	\$6,070.00			\$6,070.00	\$6,070.00
Premier Mgmt. - Employee Bonus	\$3,275.35			\$3,275.35	\$3,275.35
Inner City Repair	\$184,023.10	\$3,175.00	\$34,295.00	\$221,493.10	\$221,493.10
Imperial Premium Finance	\$55,246.70	\$9,281.88	\$23,204.70	\$87,733.28	a) \$87,733.28
New Haven Savings Bank	\$46,101.20		\$28,218.02	\$74,319.22	\$49,769.48
W & D Contractors	\$40,923.14	\$4,495.00	\$19,675.00	\$65,093.14	\$65,093.14
Robert Evans Trustee	\$60,000.00			\$60,000.00	\$60,000.00
Regional Water Authority	\$38,454.48		\$14,969.17	\$53,423.65	\$0.00
R.Evans/M.C. Kantrow Trustee			\$51,000.00	\$51,000.00	\$51,000.00
Atty. Robert Evans	\$33,140.00		\$13,582.56	\$46,722.56	\$46,722.56
Water Pollution Control Auth.	\$28,428.34		\$11,399.40	\$39,827.74	\$0.00
Grand Paint	\$24,999.52	\$2,110.62	\$10,993.74	\$38,103.88	a) \$38,103.88
ITT Hartford	\$23,109.27		\$8,258.14	\$31,367.41	a) \$31,367.41
Check	\$30,912.00			\$30,912.00	\$30,912.00
Blue Cross & Blue Shield	\$19,928.06	\$1,602.50	\$7,213.57	\$28,744.13	a) \$28,744.13
Collector of Taxes			\$24,886.69	\$24,886.69	a) \$16,287.11
Michael Kantrow	\$19,842.80		\$2,191.25	\$22,034.05	\$8,834.05
The Prindle Co. (Trash)	\$15,930.00	\$445.20	\$5,342.40	\$21,717.60	\$0.00
United Illuminating	\$10,766.14	\$1,127.82	\$5,522.34	\$17,416.30	\$0.00
G & L Builders		\$8,115.00	\$9,300.00	\$17,415.00	\$17,415.00
Dunlap Insurance	\$10,854.00		\$5,500.00	\$16,354.00	a) \$16,354.00
Cumming's Lockwood	\$13,872.50			\$13,872.50	\$13,872.50
Internal Revenue Service	\$12,347.85			\$12,347.85	a) \$12,347.85
George Kelly	\$4,513.87	\$972.05	\$5,182.47	\$10,668.39	a) \$10,668.39
Home Depot	\$5,804.84		\$4,953.76	\$10,758.60	a) \$10,758.60
West Haven Lumber	\$5,817.51		\$4,722.14	\$10,539.65	a) \$10,539.65

Payee	Rental Acct. NHSB	Debtor NHSB Account	Debtor Fleet Account	Total	Amount of Possible Diversion
R.K. Electric	\$7,550.00		\$2,510.00	\$10,060.00	\$10,060.00
Robert Evans, P.C.	\$10,000.00			\$10,000.00	\$10,000.00
Kostin & Company	\$9,895.00			\$9,895.00	a) \$7,695.00
Medford Inc.	\$9,000.00			\$9,000.00	a) \$9,000.00
Texaco	\$5,721.40	\$389.72	\$1,734.64	\$7,845.76	\$7,845.76
Jessie Criscuolo	\$6,905.00			\$6,905.00	\$6,905.00
George Kelly, Jr.	\$4,568.00		\$1,253.00	\$5,821.00	\$5,821.00
Luber Mayberry	\$4,039.00		\$777.00	\$4,816.00	\$4,816.00
Gallo Appliance	\$2,161.20	\$869.20	\$1,738.40	\$4,768.80	a) \$4,334.20
Linx	\$2,953.44	\$627.52	\$1,028.67	\$4,609.63	a) \$4,609.63
West Street (Transfer between Project's Bank Accounts)		\$3,500.00	\$1,000.00	\$4,500.00	\$0.00
Southern New England Tel.	\$2,982.87	\$251.54	\$1,049.67	\$4,284.08	a) \$4,284.08
Mobil Oil Credit Corp.	\$2,413.41		\$1,646.18	\$4,059.59	\$4,059.59
Other	\$3,904.00			\$3,904.00	\$3,904.00
American Business Credit	\$1,877.93	\$1,204.52	\$280.99	\$3,363.44	a) \$3,363.44
Staples	\$2,396.24		\$824.76	\$3,221.00	a) \$3,221.00
559 Sherman Parkway	\$2,900.00			\$2,900.00	a) \$2,900.00
Atty. Herbert Hyman	\$1,170.00	\$375.00	\$1,330.00	\$2,875.00	\$375.00
Edwards Answering Service	\$2,000.08	\$175.96	\$676.00	\$2,852.04	a) \$2,852.04
A & A Appliance	\$536.87	\$1,068.32	\$1,062.37	\$2,667.56	\$0.00
Grainger	\$1,427.88		\$454.75	\$1,882.63	a) \$1,882.63
Purchase Power	\$1,840.22		\$500.00	\$2,340.22	a) \$2,340.22
Ford Credit		\$882.78	\$1,446.02	\$2,328.80	a) \$2,328.80
SNET Wireless Service	\$1,752.17			\$1,752.17	a) \$1,752.17
Whites Plumbing	\$772.95		\$890.03	\$1,662.98	a) \$1,591.30
Lonnie Bannas (Deputy Sheriff)			\$1,649.63	\$1,649.63	a) \$1,649.63
Insulpane	\$1,469.80	\$46.17	\$126.40	\$1,642.37	\$0.00
Theadora Tarquino	\$1,475.00			\$1,475.00	\$1,475.00
Wooster Street	\$1,400.00			\$1,400.00	a) \$1,400.00
The Info. Center, Inc.	\$1,197.00		\$74.00	\$1,271.00	a) \$82.00
Allan Faulkingham	\$996.00		\$255.00	\$1,251.00	\$1,251.00
Air Touch Paging	\$1,064.33		\$178.08	\$1,242.41	a) \$1,242.41
Safeguard Business Systems	\$497.31	\$290.92	\$397.26	\$1,185.49	a) \$1,185.49
G.E. Auto Lease Inc.	\$260.00		\$886.99	\$1,146.99	\$0.00
G.C. Services	\$1,043.43			\$1,043.43	a) \$1,043.43
Sunoco	\$635.15	\$48.40	\$307.36	\$990.91	\$990.91
Cash	\$540.00	\$450.00		\$990.00	\$990.00
Sophie Stoyak	\$875.35			\$875.35	a) \$875.35
M.T.A. Travel Group	\$816.00			\$816.00	a) \$816.00
U.S. Trustee (Office)			\$750.00	\$750.00	a) \$750.00
Message Center	\$171.66	\$164.93	\$388.67	\$725.26	N/A
Southern Conn. Gas Co.	\$348.52		\$375.22	\$723.74	N/A
Alarmguard	\$588.30		\$127.20	\$715.50	N/A
New Haven Masonary	\$462.09		\$227.26	\$689.35	N/A
Knightbridge		\$197.51	\$91.62	\$638.73	N/A
Dept. of Revenue	\$578.90			\$578.90	N/A
Danka	\$523.78		\$42.30	\$566.08	N/A
S.P.M.			\$545.16	\$545.16	N/A
Juan Robles	\$428.13	\$18.00	\$88.00	\$534.13	N/A

Payee	Rental Acct. NHSB	Debtor NHSB Account	Debtor Fleet Account	Total	Amount of Possible Diversion
Protile	\$513.51			\$513.51	N/A
Danka Financial Services	\$470.90			\$470.90	N/A
Project Data Systems			\$450.00	\$450.00	N/A
Postmaster GPO	\$447.30			\$447.30	N/A
Esperanza DeJesus	\$424.96			\$424.96	N/A
Viglione Heating & Cooling	\$60.22	\$296.80		\$357.02	N/A
Peggy Campbell	\$350.00			\$350.00	N/A
Pep Boys	\$338.58			\$338.58	N/A
Poland Springs	\$237.26	\$14.63	\$73.15	\$325.04	N/A
Falzgrams Court Reports	\$295.44			\$295.44	N/A
Benders Plumbing	\$255.68			\$255.68	N/A
Sam's Club	\$242.89			\$242.89	N/A
Tom D. Driver	\$106.00		\$106.00	\$212.00	N/A
A.D. Perkins Co.	\$203.52			\$203.52	N/A
New Haven Parking Authority	\$201.40			\$201.40	N/A
Walthams	\$169.60			\$169.60	N/A
Postage by Phone	\$150.00			\$150.00	N/A
Columbus Towing Service	\$50.00	\$75.00		\$125.00	N/A
Richlins Auto Parts	\$115.39			\$115.39	N/A
Tom Russo	\$80.00		\$20.00	\$100.00	N/A
Kimberly Boyd	\$79.50			\$79.50	N/A
All Parts	\$40.81		\$25.97	\$66.78	N/A
Pagenet of Hartford	\$61.10			\$61.10	N/A
Ray's Auto Parts			\$50.24	\$50.24	N/A
State of Conn./Dept. of Rev.	\$50.00			\$50.00	N/A
Metro Tool			\$42.39	\$42.39	N/A
New England Typewriters	\$39.81			\$39.81	N/A
City of New Haven	\$10.00			\$10.00	N/A
Total disbursements/Total	\$1,293,944.77	\$86,302.74	\$490,814.58	\$1,871,062.09	\$1,664,110.38

Legend

a) Not included as examples in report

N/A Not Analyzed

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