



U.S. Department of Housing and Urban Development
District Office of the Inspector General
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June 16, 1999

No. 99-AT-204-1808

TO: Ledford L. Austin, Director, Office of Public Housing, 4FPH

FROM: Nancy H. Cooper
District Inspector General for Audit-Southeast/Caribbean, 4AGA

SUBJECT: Citizen Complaints
Elizabeth City Housing Authority
Elizabeth City, North Carolina

In response to a citizen's complaints, we reviewed activities of the Elizabeth City Housing Authority (Authority) as they pertain to portions of the Authority's Public Housing Management Assessment Program (PHMAP) certifications for the years 1994 through 1998. We also performed a preliminary review of other complaints to determine if further audit work should be performed. The purpose of our review was to determine whether the Authority complied with applicable laws, regulations and HUD requirements.

SCOPE

We interviewed staff and reviewed applicable files of the HUD North Carolina Office of Public Housing. We interviewed Authority staff, reviewed the Authority's documentation supporting the Authority's certifications for PHMAP indicator number 11 for 1994 - 1996 and PHMAP indicators number 7 and 8 for 1997 and 1998, and reviewed other Authority records. We also interviewed the complainant and two Authority residents and reviewed documentation they provided.

Our review generally covered the period from July 1, 1994 through June 30, 1998. The review was extended to other periods when appropriate. We conducted our review in March and April 1999.

BACKGROUND

We received a complaint in January 1999 that the Authority had made false PHMAP certifications for years 1994 - 1998. The alleged false certifications were that the Authority: (1) recognized the resident council and had a system of communication and collaboration with and supported the resident council; (2) implemented measures that ensured residents had input into the operating budget; (3) adopted and implemented procedures for resident participation/management, homeownership opportunities, and economic development/self sufficiency. The alleged false certifications were part of PHMAP indicator number 11 for 1994 - 1996 and indicators number 7 and 8 for 1997 and 1998. During our review, the complainant also made other allegations involving possible misuse of Authority assets and a conflict of interest.

The Authority administered a Public Housing Program of 330 units and a Drug Elimination Program. The Authority had a seven member Board of Commissioners, including one Public Housing resident, who were appointed by the Mayor of Elizabeth City.

SUMMARY

We found no evidence of false PHMAP certifications by the Authority. The Authority had documentation that properly supported the certifications we reviewed. Our preliminary review of allegations of possible misuse of Authority assets and a conflict of interest found no basis for the need to perform additional audit work.

We provided a copy of this memorandum to the Authority.

If you have any questions, please contact me at (404) 331-3369, or Bruce Milligan, Senior Auditor, at (336) 547-4056.

Attachment

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