



U.S. Department of Housing and Urban Development
Wanamaker Building, Suite 1005
100 Penn Square East
Philadelphia, PA 19107-3380

District Inspector General for Audit

Audit Related Memorandum
No. 96-PH-214-1802

October 24, 1995

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: NDC Asset Management, Inc.
Survey of Management Agent Operations
Pittsburgh, Pennsylvania

We have completed the subject survey. The purpose of the survey was to review selected NDC operations and determine whether further audit work was necessary.

Specific areas reviewed during the survey were:

- tenant eligibility for the Section 8 program;
- financial management activities; and
- general physical condition and maintenance of the managed projects.

We interviewed Multifamily Asset Management Branch staff and reviewed HUD management, inspection, and financial files. We also reviewed the latest IPA audit reports. We visited NDC's office and interviewed staff. We visited three project sites, performed physical inspections of Section 8 units, reviewed tenant files, waiting lists, and maintenance systems. We interviewed project staff and tenants.

Our survey disclosed the following:

- There were 21 overhoused and four underhoused tenants at Shenango Park Apartments. The overhoused tenants reside in two bedroom units but require transfers to one bedroom units. The underhoused tenants reside in two bedroom units but require three bedroom units. The Resident Manager stated that some of the overhoused tenants had lived in the same units for the past 15 to 20 years and refused to move. The Resident Manager stated transfers for the overhoused tenants will be done as soon as one bedroom units become available. The Resident Manager plans to transfer the underhoused tenants between September and October 1995.
- The laundry and boiler rooms of one of the buildings at Belvedere Acres was still suffering the effects of building subsidence. Your office has been aware of the situation since it originally occurred in 1986. According to your staff, the subsidence has been adequately monitored by HUD and does not pose a threat to the safety of the building's occupants. Since HUD was aware of the subsidence and has been monitoring the situation, it was not pursued as an issue.
- One of seven Section 8 units at Shenango Park Apartments failed HQS. The unit failed due to violations including peeling and chipping paint, a deteriorating window sill, and an unattached baseboard. Several other items noted during inspection of the same unit also failed but were repaired the same day and thus were not listed as failed items. The Maintenance Supervisor stated the remaining HQS deficiencies would be repaired immediately.
- No reportable deficiencies were noted regarding tenant eligibility and management activities.

The review results were discussed with NDC personnel. Although no controlled findings resulted from our review, we recommend your staff address the deficiencies cited with NDC and confirm corrective actions are implemented. Based on the survey work performed, we have concluded no additional audit work is necessary.

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

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cc: OSWALD
CIANCI

3AGA:GUSS:AMP:10/23/95

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REPORT NAME: NDC Asset Management, Inc.
 Survey of Management Agent Operations
 Pittsburgh, Pennsylvania

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 ISSUE DATE: October 24, 1995

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