

HUD Region IV

FOUR SEASONS APARTMENTS (82 units) Gastonia, North Carolina: BILLY P. SHADRICK and BOBBY RAY BADGETT, HOUSING MANAGEMENT INC. (HMI), developed this project and paid \$123,000 to SIEGEL and STRAUSS as consultants. BADGETT said he employed SIEGEL/STRAUSS based on a referral from BENTON MORTGAGE COMPANY, a co-insurance mortgagee in Knoxville, Tennessee. ALEX A. LAWRENCE, Jr., HUD Greensboro Office, stated that Gastonia had applied for Mod Rehab units but had not been funded for several years. The number of units awarded on April 30, 1987, however, only fit the FOUR SEASONS project.

SEAGRAPE VILLAGE (112 units) and POLYNESIAN VILLAGE (84 units), Miami, Florida: These projects were developed by JORGE PEREZ, who employed GERALD D. KISNER, former HUD Deputy General Counsel, now doing business as LASAKI MANAGEMENT COMPANY, as a consultant for \$500 per Mod Rehab unit, 15% ownership in the project, and 15% of the cash flow from the construction phase of the project. SEAGRAPE was funded in January 1988 and POLYNESIAN VILLAGE was funded in April 1988. KISNER wrote a letter to PEREZ which stated in part, "You should be aware that I have recently met with all the appropriate officials in Washington to discuss this matter. We now only have to await a decision." KISNER did not recall whom he contacted, but they were possibly some of the multifamily program staff, in which case his approach would have been one of demonstrating the need for Mod Rehab units in the Dade County area.

BENTON MORTGAGE COMPANY, co-insurance mortgagee on this and other Mod Rehab projects, contributed \$19,000 to FOOD during the period October 1987 to May 1988.

ARAMA LIMITED (292 units), Miami, Florida: This project was developed by ARISTEDES MARTINEZ, who employed LOUIS NUNN, former Governor of Kentucky, as a consultant on the project. In January 1984, NUNN entered into two agreements with MARTINEZ on the ARAMA project. One was for consultant services (\$150,000) and the other was for attorney services (\$225,000). NUNN said he paid JOHN MITCHELL, former U.S. Attorney General (now deceased), \$75,000 for his assistance with the project. NUNN claimed MITCHELL told him he had HUD contacts from the top on down, because he and SAMUEL PIERCE, Jr., former Secretary of HUD, were friends. MITCHELL would determine when the HUD funds were being released for Mod Rehab projects in Miami, and NUNN would advise MARTINEZ accordingly. The DADE COUNTY HOUSING AUTHORITY (DCHA) allocated 292 units to the ARAMA project out of a July 1984 HUD award. PIERCE said that he has known MITCHELL for many years, but that MITCHELL never discussed HUD-related matters with him.