

He had two partners in the above transaction, MARIO JIMENEZ and RAY BORG. He believes his proposal was selected for funding by DADE HUD because it was the most suited for the allocation. He heard this from friends, who he declined to identify, but asserted they were never employed by HUD nor the federal government. He indicated that his contacts were individuals who had political influence. He did not pay directly for any political influence but has made donations to Republican candidates.

HM 1-1054

The HIALEAH-MIAMI LTD. APARTMENTS were sold in 1986 to J & B. INC., a New York syndication.

ARAMA LIMITED (293-unit project) and WEST DADE, LIMITED, (122 unit project) both had Washington D.C. based consultants. ARAMA had LOUIE B. NUNN and WEST DADE had JOE STRAUSS of PHOENIX ASSOCIATE.

He explained he met NUNN in 1978-79, when NUNN successfully represented him in a suit against HUD. In both ARAMA and WEST DADE matters, consultants were paid for services rendered. Copies of both contracts were provided the Inspector General through PAUL ATKINSON, HUD-IG-Audit.

## ATTACHMENT 7

Regarding WEST DADE, he engaged PHOENIX ASSOCIATES through a local associate, MANNY VERGERA. In both instances involving ARAMA and WEST DADE, he was notified within thirty to forty-five days by his consultants that his units would be included in an allocation forth coming to DADE HUD. He does not recall receipt of a "Form 185" regarding an award.

He always reflected payment to the consultants on the Cost Certification, although he understood it was not an eligible cost. He listed it because "he wanted the whole world to know he used consultants."

In the case of WEST DADE, he had to adjust the number of units to fit the allocation. He explained that allocations are based on two bedroom units and in order to provide various sized units he changed the mix from all two bedroom units to a combination of no bedroom, two bedroom and three bedroom units in addition to two bedroom units, which is allowable as long as the total does not exceed the allocation.

He is aware of others in the industry, JORGE PEREZ, JORGE BOLANOS and LOUIS-RUBY SNEY to mention a few, but has never discussed how they went about getting allocations.

He has never donated to F.O.O.D. FOR AFRICA.

LOUIE B. NUNN, (Former Governor of Kentucky), Counselor at Law, Route #3, Park, Kentucky 42749, telephone number (502) 453-2805 was interviewed at his office on December 12, 1988, by Special Agent LESTER A. DAVIS. NUNN provided the following information:

He has been involved with only two HUD Moderate Rehabilitation projects, ARAMA, LTD., and SOUTH FLORIDA, LTD., both of which the contractor was ARISTIDES MARTINEZ.

He came to know MARTINEZ because he represented MARTINEZ in a debarment procedure, involving the HUD Jacksonville, Florida Office, prior to working on the two Moderate Rehabilitation projects.

As further explanation as how he came to know MARTINEZ, DWIGHT BROEHAN (Business Partner of NUNN's brother, LEE NUNN), told him there was a contractor in Miami having problems with a HUD project controlled by HUD's Jacksonville Office. BROEHAN gave him a man's name (name unknown) and telephone number for him to contact so he could determine if he could help the contractor. When he called that man, he was told the contractor having the problems in Miami was ARISTIDES MARTINEZ. He decided at that point not to get involved. However, he later was in Atlanta speaking to CLIFF BROWN, (then Regional Director, HUD), who told him the HUD Jacksonville Office was having problems with MARTINEZ and he was going to go there to try and solve them. He (NUNN) decided then that MARTINEZ may have a legitimate complaint against HUD so he called MARTINEZ.

MARTINEZ' problems involved three projects, ROBERT FORCUM TOWERS, ST. DOMINIC GARDENS and ST. JOSEPH TOWERS, all of which were under HUD programs by MARTINEZ, MARBITL INCORPORATED. NUNN entered into a contract with MARTINEZ which in essence required him to convince HUD Jacksonville to pay the money they owed MARTINEZ for his work. HUD claimed that MARTINEZ was not doing a good job and would not pay him. NUNN called CLIFF BROWN in Atlanta to see if a solution could be worked out. BROWN arranged a meeting in Atlanta for NUNN with Atlanta HUD personnel who listened to him and said they would see what could be done. The only person NUNN remembers being at the Atlanta meeting was JIM HILLS (deceased). The HUD Jacksonville office (names unrecalled) then said MARTINEZ had falsified records and they were going to try and debar him. NUNN made several trips to Washington to speak to HUD employees about the debarment procedure (NUNN does not remember the name of anyone he spoke to). He was able to stop the debarment procedure and recovered some of the monies HUD was withholding from MARTINEZ. NUNN believes he received approximately \$18,000 for his services, however, he does not have any documentation concerning that work.

After stopping the debarment procedure and recovering some of MARTINEZ' money, NUNN and MARTINEZ went to HUD in Atlanta to find out if there were any projects or programs MARTINEZ could get involved in since he was treated so unfairly by HUD. At a meeting (NUNN does not remember any of the HUD employees' names that were there), MARTINEZ said he knew about HUD's 515 program (Rehab).

On January 25, 1964, NUNN entered into two contractual agreements with ARTISTIDES MARTINEZ and MARIO JIMINEZ, for the project ARAMA LESTER A. DAVIS and acknowledged his signature and payment. The first agreement was for NUNN to act as a consultant involving 300 Moderate Rehabilitation units and he was to be paid \$150,000. The second agreement was for NUNN to act as an attorney concerning the 300 Moderate Rehabilitation units and he was to be paid \$225,000 for his services. When NUNN entered into the agreements, he asked what was the normal fee for Rehab units and MARTINEZ told him \$1,000 per unit. An addendum was added to both agreements which reflects NUNN was to receive \$1,250 per unit (300 x \$1,250 = \$375,000). To the best of his knowledge he was paid in full for the two agreements (NUNN stated his income tax records would reflect the income). NUNN paid JOHN MITCHELL, former United States Attorney General, \$75,000 for his help in the ARAMA project. MITCHELL had told NUNN he had contacts at HUD in Washington from the top on down because Secretary PIERCE was a friend of his. Because of this, MITCHELL said he would help NUNN. When MARTINEZ had the project signed off locally (Miami), he would call NUNN to find out when approval would be made in Washington. NUNN would then call MITCHELL and ask him to find out when the funds were going to be released for the Rehab projects in Miami. MITCHELL would find out and call NUNN (NUNN does not know who MITCHELL spoke to in Washington). NUNN spoke to MITCHELL two or three times concerning the ARAMA project. Once NUNN knew when the funds would be allocated, he was able to advise MARTINEZ if he needed to refile his options or if his current paperwork would be satisfactory, etc. The next step for NUNN would be to stay in touch with the HUD Jacksonville Office to follow the flow of MARTINEZ' application. NUNN felt the HUD Jacksonville Office was discriminating against MARTINEZ so he would make sure all of MARTINEZ' paperwork was being processed fairly. MITCHELL only helped on this project (ARAMA LTD.).

The next and last Moderate Rehabilitation project NUNN helped MARTINEZ with was SOUTH FLORIDA, LTD. NUNN was shown an agreement dated April 1966, that listed NUNN as a consultant for SOUTH FLORIDA, LTD., and he was to be paid \$200,000 at the time of all initial closings of the 200 Moderate Rehabilitation units. NUNN acknowledged the agreement and the two checks (also shown to him)

both dated December 18, 1966, one for \$110,000 and the other for \$109,000. NUNN could not explain why there was a difference of \$19,000.00 between the two checks and the agreement. The invoices for both checks described the checks as being for consultant fees. NUNN's responsibilities for this project was to help MARTINEZ get all the forms in order, help contracts go through the HUD process, look for any defects, advise MARTINEZ what to do next and to keep HUD from discriminating against MARTINEZ. NUNN does not remember ever talking to any HUD personnel in Washington about this project.

NUNN stated that, although he is listed as a consultant on some contractual agreements, he considered himself to be an attorney on a retainer at the time. MARTINEZ approached NUNN and asked him if he minded being listed as a consultant because the local attorneys MARTINEZ was using would not have liked the amount of money NUNN was receiving for legal advice. NUNN told MARTINEZ he understood and agreed.

NUNN also stated he does not know where any of the contracts/agreements between himself and MARTINEZ are.

AGENT'S NOTE: All the contracts/agreements shown to NUNN were obtained from HUD-OIG Audit file in Atlanta, Georgia.