

WILLIAM H. PINGREE JR., Secretary-Treasurer, PINGREE AND DAHLE, 648 East 100 South, Salt Lake City, Utah, was interviewed at his place of business on November 7, 1988 by Special Agent JOHN R. BALAUN.

PINGREE advised as follows:

PINGREE and NORMAN DAHLE have operated as PINGREE AND DAHLE since February 1, 1982. They began doing Moderate Rehab projects about 1982 after learning that Montana had units available. PINGREE and DAHLE met DAVID JORGENSON of Cupertino, California and he mentioned HUD's Section 8 program as one PINGREE AND DAHLE should examine for possible business. PINGREE called around and learned that there was no new construction money available, and that the only funds available were Moderate Rehab. PINGREE then learned that Montana had unused Moderate Rehab allocations available, and that ROGER PEDERSEN was the coordinator for the state.

PINGREE talked to PEDERSEN and learned the units were assigned to Butte, Missoula, and Helena. The ATLAS BUILDING in Helena had already been selected for Moderate Rehab units, and PINGREE AND DAHLE bought the building and completed the rehabilitation. There was no NOFA advertisement in Helena at that time as the building had already been selected.

NOFA advertisements were run in Butte and Missoula. PINGREE AND DAHLE submitted proposals which were selected.

In 1984 PINGREE AND DAHLE was interested in doing additional Moderate Rehab work and there were no units available. PINGREE and DAHLE went to Washington, D.C. and met with GORDON WALKER, a HUD official from Utah who was a friend of DAHLE. PINGREE and DAHLE also met with TIM COYLE, another HUD official, and looked up MARTIN ARTIANO, an attorney, who was a friend of PINGREE.

PINGREE and DAHLE learned that HUD had been allocated Moderate Rehab units by Congress, and that the units were to be assigned to PHAs throughout the country.

PINGREE and DAHLE returned to Utah. They then informed Great Falls, Montana that Moderate Rehab units would be coming down from HUD. It had been suggested to PINGREE and DAHLE by HUD headquarters staff that it would be helpful to know if projects would be viable.

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PINGREE and DAHLE traveled to Great Falls where they met with CHERYL BRUSKOTTER, Community Development Director. PINGREE and DAHLE discussed the type of units needed by Great Falls with CHERYL BRUSKOTTER, Community Development Director. BRUSKOTTER asked what type of units PINGREE AND DAHLE had in mind and PINGREE responded that they suggested one bedroom units. BRUSKOTTER responded that the city needed both one and two bedroom units.

The city ran a Conditional NOFA advertisement for a mix of one and two bedroom units. PINGREE AND DAHLE submitted a proposal to use the ELMORE HOTEL building to provide the needed housing. The proposal of PINGREE AND DAHLE was selected over the other proposals received. HUD did not announce the units until months later. Great Falls applied to the Montana Department of Commerce for units, and that agency submitted its application to HUD. HUD did later make the units available.

The construction work on the ELMORE HOTEL was not completed until December 1987. In 1987 PINGREE and DAHLE were informed that Great Falls did need three and four bedroom Section 8 units. They talked to BRUSKOTTER to obtain some idea of the number of units needed. PINGREE may have suggested to BRUSKOTTER the number of units needed. PINGREE AND DAHLE then located the FRANKLIN SCHOOL, which was offered for sale by the local school district, and negotiated an option contract to purchase the building.

Great Falls then ran a Conditional NOFA advertisement and the proposal of PINGREE AND DAHLE was the only one received. The city then applied for the units which were only recently awarded to the city. ROGER PEDERSEN is the state coordinator for the Moderate Rehab applications. He told PINGREE he applied for several units in both metro and non-metro areas.

It is PINGREE's understanding the applications are sent to THOMAS DEMERY, HUD Assistant Secretary. PINGREE does not know what goes on in the HUD selection process.

PINGREE AND DAHLE have contracted with MARTIN ARTIANO, an attorney in Washington, D.C., who is a long time friend of PINGREE. PINGREE and DAHLE each own 50% of their firm. Their agreement with ARTIANO is that he receives 20% of the projects they develop in return for his work. ARTIANO puts together the syndication of the projects and keeps up with developments in Washington, D.C. concerning the program. PINGREE did ask ARTIANO to telephone someone on the selection committee to assure that PINGREE AND DAHLE was not penalized for using private financing for their projects. It is PINGREE's understanding that Senator GARN sits on the selection committee.

PINGREE and DAHLE have not made contact with HUD officials. ARTIANO has spoken with TIM COYLE and a HUD official named GOLDBERGER, as well as with THOMAS DEMERY. These contacts are only informational. ARTIANO has contacts with HUD to learn of HUD regulations. He also attempted to keep up with when the Federal Register would indicate that new Moderate Rehab units were announced.

PINGREE spoke to DEMERY's office but has never spoken to DEMERY. ARTIANO may have spoken to DEMERY. If PINGREE indicated in a letter he had spoken to DEMERY he had meant that either the firm, through ARTIANO, had spoken to DEMERY, or that he (PINGREE) had spoken to DEMERY's office.

PINGREE does recall that he received a telephone call six months prior to this interview from GOLDBERGER, a HUD official. GOLDBERGER was attempting to gather information to help in the writing of the regulations for the Section 8 Certificate program. He asked PINGREE whether, in the Moderate Rehab program, the rehab costs are calculated into the base rent calculation.

PINGREE has learned that HUD has congressional approval to issue 18,000 Moderate Rehab Certificates for Section 8 units. This is a new program which the field offices may not yet be aware of. The information about the certificates is public information, which is available in Washington, D.C.

PINGREE has never used any influence to get Moderate Rehab units assigned, and neither he nor PINGREE AND DAHLE have ever had units allocated to them from HUD. If someone thought PINGREE stated that PINGREE AND DAHLE had 300 units set aside for it by HUD, that person is mistaken. In 1988 PINGREE and DAHLE had a goal of obtaining 300 Moderate Rehab units from PHAs, but they will fall short of this goal. They were not able to get 300 units.

From the 1988 allocations PINGREE AND DAHLE has been selected for the 38 units in Great Falls. They are also competing for 80 units in Salt Lake City. Salt Lake City has been allocated the 80 units but the selection has not been made by the city.

PINGREE AND DAHLE has been successful because of the work it puts into the proposals, and because it is familiar with the selecting criteria. PINGREE AND DAHLE wins because it spends more money.

PINGREE would never pay someone for the allocation of units.

In late 1987 ARTIANO was approached by MIKE KAREM, a former HUD employee, in Washington. KAREM asked for a pledge to FOOD FOR AFRICA. ARTIANO telephoned PINGREE and DAHLE and they agreed to give \$1,000. ARTIANO instructed PINGREE to make the check payable to FOOD FOR AFRICA. ARTIANO told PINGREE a lot of people who develop real estate had given to the charity, and that it was a worthwhile cause. To the best of PINGREE's knowledge, no HUD employees are involved in any way with FOOD FOR AFRICA.

ARTIANO and KAREM were acquainted from working on the REAGAN for President CAMPAIGN.

ARTIANO mentioned to PINGREE that he has been approached on two or three occasions by persons who offered to sell him Moderate Rehab allocations for \$1,000 per unit. The most recent such incident was about one year ago. PINGREE does not know the identity of the person or persons who made the proposals to ARTIANO, but ARTIANO may have that information.