

What are the HUD REPORTS? These are reports from the U.S. Department of Housing and Urban Development (HUD) indicating non-compliance due to fraudulent actions practiced by the Osage Nation. This Administration has been unable to account for block grant funds and Indian Community Development Grant funds.

Examples of findings by the Southern Plains Office of Native American Programs (SPONAP): (August 2007)

- ❖ The construction manager did not retain proper supporting documents (such as contracts, vendor invoices and competitive bids) for expenses charged to NAHASDA and Housing Improvements.
- ❖ Expenses were charged to client's accounts when no work was actually done for the client. The wrong client account was charged.
- ❖ Clients had expenses charged to their account but no actual work was done for their homes.
- ❖ A vendor admitted performing work on a home and billing it to another home.
- ❖ Vendors have admitted to receiving payments for work that was not done. The program manager has notified HUD and the BIA to inform them of the fraud.

A sample of 30 expenses from the rehabilitation homeownership program was tested and it was noted that the following information was missing from the client files:

- ❖ 24 were missing contracts to specify the work to be performed;
- ❖ 29 expenses did not have a vendor invoice to support payment;
- ❖ 25 were missing evidence of a final inspection;
- ❖ 11 files did not contain evidence that competitive bids were obtained

Of 30 clients tested for the homeowner's rehabilitation program, the auditor noted the following information to support eligibility was missing:

- ❖ 10 files were missing utility commitments;
- ❖ One (1) of the clients selected did not have a client file at all, as such; they were missing all documentation to support eligibility.

These are just a few findings from the SPONAP monitoring review conducted from August 13, 2007 through August 17, 2007.

The **recommended corrective action** by SPONAP was for the Osage Nation to hire an Independent Public Accountant (IPA) to review its accounting records and costs charged to all HUD programs listed in the 2005 audit. **To this day, the Osage Nation Administration has not met this requirement.**

So yes, **Time “was” of the Essence** for the Osage Nation in April 2009. Jim Gray was given 30 days to respond with complete and accurate documentation regarding these HUD reports. Thirty days from March 02, 2009, when he received the “Past Due Notice/Letter of Warning” from the U.S. Department of Housing and Urban Development. Two years prior to this letter, many were the times that Gray was allowed to extend the deadline to report to HUD.

I have spoken with the Housing and Urban Development Department. From what I understand, they have made a decision to turn this over to the Attorney General.

In my view, it would be common to expect negative results for the Osage Nation with regard to future grants to include Indian Health.

Failure to handle our own affairs in a responsible manner is a clear indication to the United States Government that we may not be capable of self determination. This could lead to a major set-back and reversal of roles played by the Osage as a Nation and the U.S. Government.

The responsibility of contracting, compacting, and dispersing grant monies as we see fit for our particular tribe may be reverted back into the hands of the U.S. Government.

I spoke with a Cherokee friend last month. Their Housing Rehabilitation program received \$5.5 million dollars from the Stimulus package.

The last word I’ve heard from the Executive Branch on this matter is that HUD will not respond as if to blame HUD now for the Executive Branch not turning in requested reports and following through with recommendations.

Of course HUD will not respond. HUD turned the case over to the Attorney General.