

DAVID M. BARRETT (rev. 5/14/90)*

In written testimony before Lantos subcommittee, and orally before Lantos subcommittee and Banking Committee, Thomas T. Demery, HUD, Assistant Secretary for Housing--Federal Housing Commissioner, states that he did not know who developers and consultants were when he acted on PHA requests for mod rehab units. However, a 11/3/87 document from Demery's wordprocessing diskettes made available under FOIA, which shows funding decisions of 11/3/87, presents a listing of 21 "Additional Requests" by PHAs for mod rehab units. The second page of the document matches the 21 requests with the names of individuals. No. 3 is a request for 150 units for More [sic], OK. The name matched with the request is Barrett. TD/3/7/1.† The request would be granted later that month. See 11/23/87 entry.

David M. Barrett, a Washington attorney, partner in Barrett, Montgomery and Murphy, is also a partner in B & C Housing Associates, with George and Gail Carnes of the Carnes Brothers Construction Company of Tulsa, OK. IGR at 236. Barrett apparently was also a close friend of Thomas T. Demery (or at least became one after Demery became Assistant Secretary). On Demery's short, wallet-sized list of phone numbers (20 persons) Barrett is fourth, and his home and office numbers are included. TD4/7/11. Demery's phone messages show at least 65 phone messages from Barrett or his office between 11/18/86 and 6/29/88. Calendars show numerous meetings, lunches, dinners, or parties. (Only samples of these entries are noted below.) Barrett also had some role in assisting Demery in fundraising for Congressman Bob McEwen. In a 7/29/87 letter thanking Barrett for arranging a meeting with Congressman Hiler, Demery would remark on "how fortunate I am to have met you and to have developed a relationship that goes far beyond business." He concludes: "As always, I expect much fruit to come to bear from the meetings you arrange." TD3/2/9.

10/21/86 Demery confirmed

10/28/86 Demery dines with Barrett at Georgetown Club.

10/29/86 Demery meets Barrett at Georgetown Club for lunch. Chauffered by HUD car.

11/14/86 Barrett calls: Are you available for dinner party on Dec. 8th. The only available date is the eighth -- invitations have to be to the printers by...

* Asterisk indicates material revisions to prior version.

† References to documents on Demery's wordprocessing diskettes are indicated in the following manner: Diskette Number (TD1 through TD5)/page of index/item on page.

11/18/86 Barrett calls: "His friend JOHN MAMOULIDES is coming in from New Orleans. Wondering if you are free for lunch either Thursday or Friday." John Mamoulides is district attorney for Jefferson Parish, LA. He also maintains a private law practice representing housing developers.

12/4/86 Barrett calls regarding dinner that evening expressing hope that Demery will be able to make a few remarks.

12/8/86 Demery Calendar shows "David Barrett Party."

12/18/86 Barrett calls to invite Demery to his office's Christmas Party. Demery cannot attend.

1/13/87 Demery, Dean, and Pierce make mod rehab selections. Housing Authority of Tulsa is selected for 250 units. In Attachment A-1 to Demery's 11/7/88 Memorandum to Pierce (6th page of attachments), he would describe the basis for the selection as "Depression-like Conditions. Large need." The units would go to three B & C projects, Worthington, Patrick Henry, and Sungarden. IGR at 233. Principals listed as Gail Carnes, George Carnes, and D. Barrett. 9/18/89 IG Report at 33.

*1/20/87 Barrett calls to invite Demery and his wife to dinner, both on "Friday and then tomorrow evening." Demery's calendar indicates that he will be in Key West, Florida on those dates. The invitations are apparently for dinner in Florida. Demery will be in Florida the nights of 1/21 through 1/24 in connection with the National Leased Housing Mid-year Meeting. Claimed reimbursement from HUD is \$66.00. TD5/5/7.

*2/20/87 Barrett's office calls confirming Sunday brunch at Congressional Country Club.

*3/5/87 Linda Murphy of Barrett, Montgomery and Murphy calls regarding a dinner at Georgetown Club (apparently for MultiFamily Housing Association, see 4/8/87 entry) planned for late March has to be moved to 4/9/88 so David Barrett can attend.

*3/6/87 Linda Murphy calls to change dinner at Georgetown Club to 4/8/87.

3/7/87 Demery is a fundraiser for Pat Robertson. Memorandum in Demery's file of this date will describe Barrett as long-time Republican fundraiser who has been retained by the City of New Orleans to handle its business interests during the 1988 Republican Convention. Demery notes: "He knows of you and wants to meet you. If he can be convinced you're credible, I can work with him to arrange fund-raising events and he can help with the Republican machine." TD2/1/9.

*3/12/87 Barrett, Montgomery and Murphy contributes to \$500 to FOOD for Africa.

*3/16/87 Phone logs indicate Barrett stops by requesting meeting for 3/17 or 3/19.

*3/17/87 Barrett contributes \$1000 to F.O.O.D. for Africa.

*3/19/87 Barrett meets with Demery at HUD.

*4/6/87 Barrett calls twice in late afternoon. Second time leave this message: "Give him til 10:00 in the morning--doesn't know if it will work, but give him til 10:00."

4/7/87 Demery meets with Dorsey and Dean to make mod rehab selections.

*4/8/87 Lunch with Barrett at Georgetown Club.

*4/8/87 Dinner with Multi-family Housing Association at Georgetown Club.

4/27/87 Barrett calls regarding the following night. This would be related to the events at the Four Seasons set up by Demery in conjunction with the President's Dinner. It would also appear to include the meeting referenced in the 3/7/87 memorandum describing Barrett and others. See Siegel/Phoenix chronology (rev. 5/90).

5/7/87 Note in phone log regarding lunch with Barrett and McEwen on 5/20/87. Barrett leaves message that "he had a contribution for McEwen which he thought had gone out...will bring it to the 20 May mtg." Also says lunch with Barletta is set for Los Angeles.

5/28/87 Note in phone log indicates Barrett/McEwen meeting rescheduled for 6/10/87.

*5/29/87 Barrett calls: "Called Friday morning re project Tulsa Hsg Auth (OK 56K073005)--needs your help - 97% occupancy vs. 95. A letter from him is in your box." The 9/18/89 IG Report, Exhibit C, at 33, identifies this project as the Sungarden, Worthington, Patrick Henry complex in Tulsa. See 1/13/87 entry.

* New York Times article dated 12/11/89 discussing Barrett's mod rehab projects, quotes Demery statement: "I never had any discussions with Mr. Barrett about Mod Rehab--period."

*6/9/87 Note in phone log states: "I spoke w/Joe Schuler in Dave Barrett's office about June 25...he said Barrett's calendar looked good; he'd check w/the club and will advise."

6/10/87 Demery takes HUD car to Cannon Office Building for lunch with McEwen and Barrett.

6/25/87 Calendar indicates: "party (Dave Barrett)."

10/23/87 Phone log contains note regarding call from Mamoulides advising Demery that Mamoulitas will have Demery tied up most of the day on Friday [presumably 11/6/87] and there will not be time to visit HUD area office, which is what Demery's travel orders say he is going to New Orleans to do (although the area office had not yet been contacted). On 11/3/87 Barrett calls leaving message: "expect a call from John Mamoulites [sic] to go over schedule.... Dave will be in New Orleans and may give you a call." Demery's calendar shows Demery being picked up by Mamoulitas in New Orleans on afternoon of 11/5/87 (Thursday) and staying in New Orleans through night of 11/6/87 at Windsor Court; there are no references to HUD business.

* Documents from Demery's diskettes indicate that his flight would arrive at 3:42 on Thursday, suggesting that he could not appear at the HUD office that day. On 11/10/87 Demery writes Mamoulides to thank him for "the marvelous time you arranged for me in New Orleans." TD3/6/4. Thank you note to Steve Edgett of Chalmette, LA, also dated 11/10/87, would indicate that he had spent Friday at a fishing camp. He would note: "And if being a host wasn't enough, the 400 pounds of seafood you sent me home with is borderling excess (note I said 'borderline')!" TD3/10/12. Demery also writes letter on 11/10/87 day thanking Herb Cammatte of Metairie, LA for the excellence and quantity of the food he prepared. TD3/4/1.

* The foregoing suggests that Demery never visited the HUD office on this fishing trip. Nevertheless, documents on Demery's diskettes would indicate that he travelled at government expense on Travel Order No. HH-18-88, and claimed \$143 reimbursement. He would state the reason for the trip as "Visit Area Office; meet with local people re: mod rehab and soft market." TD5/5/7.†

† Compare memorandum from Demery to Deputy Assistant Secretaries and Office Directors on 11/10/86, exactly one year preceding his thank notes to Mamoulides, Edgett and Cammatte (TD1/7/8):

As I have previously instructed, I will be signing all travel orders. The justification you provide to support these orders will be important in enabling me to determine if the travel requested is

11/3/87 The Demery Memorandum noted at the outset lists Barrett's connection with a 150-unit request for Moore, Ok.

11/23/87 According to Attachment A-1 to Demery 11/7/88 Memorandum to Pierce (8th page of attachments) Moore, OK is selected at meeting with Pierce. Reason stated for the selection is: "Senator Nickels urged consideration due to soft market." Units go to Regency Park Apartments project of B & C Housing Associates. George and Gail Carnes are listed as principals. 9/18/89 IGR at 33.

11/23/87 Barrett calls leaving message: "Wondering if Mamoulitas called you ... 'we're all set John is making reservations... we're taking care of 6th and 7th...' Re: January 14th in New York. He and Kathy will stay at their club (LOTOS CLUB) and if you'd like he'll arrange." See 1/6-7/88 entry.

12/3/87 Barrett calls: "Wanted to give you update (he's back from New Orleans.)"

*12/11/87 Demery has two-hour lunch with Barrett and Mamoulides at Georgetown Club. Demery is chauffeured by HUD car.

*12/14/87 Barrett meets with Demery.

1/6-7/88 Demery's calendars show show him in New Orleans for personal reasons. 1/5/88 Phone log entry indicates he will be picked up by Mamoulides.

*1/7/88 Barrett calls requesting meeting on 1/8, which he gets.

necessary. I consider all travel to be special, and you should include in your justification not only why it is necessary for a HUD employee to make the trip, but also an explanation of why that employee should go. I expect factors such as the attitude and performance of the employee to be considered.

I also look forward to reading the briefing papers you and your employees submit following special purpose travel. These reports are required within 48 hours upon completion of such travel, and should give me a good insight into these non-HUD activities.

*1/28/88 Mamoulides calls requesting Demery to speak at Greater New Orleans Homebuilders on week of 2/23, but date is not fixed. Also asks if Demery and family would like stay through the weekend. See 3/10/88 entry.

*2/1/88 Lunch with Barrett at Georgetown Club. Demery chauffeured by HUD car.

2/22/88 Barrett calls to set up lunch on Wednesday (2/24) at Georgetown Club with Ken DeJarnet, Chairman, Texas Housing Agency. Demery handwritten notation indicates "yes."

2/24/88 Although Demery Calendar is not entirely legible, it appears to show a noon lunch with Barrett and DeJarnet. Hud records show Demery chauffeured to Georgetown Club by HUD car.

2/29/88 Barrett calls to change meeting with Demery and DeJarnet, apparently set for 4:30 on 3/2 to lunch at Georgetown Club.

3/2/88 Demery, Barrett, and Ken DeJarnet have lunch at the Georgetown Club. Demery chauffeured by HUD car.

*3/4/88 Demery has lunch with Mamoulides, Barrett, and Gordon Conrad at Georgetown Club. Demery chauffeured by HUD car.

3/7/88 Barrettt calls with Demery's schedule for New Orleans (where Demery's calendars show he will speak to the Builders Association of New Orleans). Refers to a planned meeting with Demery and DeJarnet in Dallas, which he thinks should possibly be lunch after Demery's morning speaking engagement. Indicates he will pick Demery up at place where he is speaking and after lunch drop him off at HUD. Meeting fits with Demery calendar for 3/9. Demery's travel reimbursement list will state that the meeting with DeJarnet involved property disposition.

*3/9/88 In New Orleans Demery dines a Chaherdy's restaurant. By letter of 3/14/88. Demery thanks owner Jimmy Chehardy for "excellent dinner you prepared for us Wednesday evening." Adds: "I wish you the best of luck in your new venture, and rest assured, you have an effective salesman working on your behalf. I will surely see you on my next trip to New Orleans with big John Mamoulides." TD4/4/2.

3/10/88 Lunches with and speaks to Greater New Orleans Builders Association.

*5/26/88 Barrett calls Demery from Tulsa.

*6/7-9/88 Demery meets with Regional Housing Directors in New Orleans. Demery takes Housing Directors to a hunting and fishing camp after the formal meetings. The camp is in some way connected with Mamoulides and presumably is the same place mentioned in the 10/3/87 entry. It is rumored that David Barrett was also present at the camp.

6/15/88 Demery writes to Michael Daigle, Director of the Economic Development Council of Jefferson Parish, LA, thanking him for the "wonderful luncheon and meeting site you provided" for the Housing Directors meeting. He notes that the "food was excellent as was the opportunity to try our hand at trap and skeet," and closes by requesting that Mr. Daigle "please extend our thanks to all your members and the parish president." TD4/2/11.

6/24/88 Under new mod rehab selection procedures, Midland Texas is selected for mod rehab funding with ranking panel recommending 100 units. Panel's recommendation is transmitted to Demery on this date (a Friday) for consideration by the Selection Committee made up of Demery, Michael Dorsey, and Carl Covitz.

6/24/88 Demery has two-hour lunch with Barrett at Georgetown Club.

6/27/88 At 9:00 a.m. (Monday), Demery, Dorsey, and Covitz meet on moderate rehab selections. Although the record is not explicit on this point, it would presumably be at this meeting that Demery will raise the number of units for Midland, Texas, from 100 (as recommended by the panel) to 125.

6/27/88 At 9:30 a.m., Barrett calls leaving this message: "Doesn't need to speak with you--just needs a 'thumbs up or down on Saturday night'--did it work out?"

The reason for raising the number of Midland units from 100 to 125 was stated in the 3/31/89 Memorandum from Lawrence Goldberg to James E. Schoenberger, responding to the IG audit, as (at 7): "So great was the need in Midland that the Regional Office ranked it first among 16 cities within the region most needing mod rehab assistance. The FHA Commissioner confirmed these local Texas market conditions in March with both builders and Regional Staff while visiting Texas."

The Midland, Texas 125 units would go to the Chapparal Apartments, built by the Chapparal Housing Associates, Ltd., which has the same Tulsa, Oklahoma address as B & C Housing Associates. The single principal indicated in the 9/18/89 IG Report (at 35) is George Carnes.

* Records so far made available do not indicate the extent of Barrett's connection with the last project. Nor do available records indicate the instances when Demery maximum rent waivers of Barrett projects, although such information ought to be readily available.

The record does not disclose what business arrangements existed between Barrett and Mamoulides or Mamoulides' HUD dealings. The record does show that New Orleans received 150 units in the June 1988 mod rehab funding round, although an IG worksheet notes that these units went to a project of Israel Roizman. See Israel Roizman chronology. Although New Orleans was not one of the PHAs selected in the 6/88 round that was listed as one to be split funded (with additional units to be received in FY 89), it did, apparently at Demery's discretion, receive another 100 units in FY 89.

It is notable that additional mod rehab units were awarded to Tulsa in 1988. In 6/88 the ranking panel recommended that Tulsa Housing Authority should receive 50 units. It is not clear which developer received these units, although it may have been Art Gorman. See 9/18/89 IGR at 33. Although, like New Orleans, Tulsa HA was not one of the PHAs selected in the 6/88 round that was listed as one to be split funded (with additional units to be received in FY 89), Demery did send it another 50 units in FY 89. There is so far no information on the developers who received these units.

* Any examination of whether Demery manipulated the mod rehab program for the benefit of Barrett and/or Mamoulides must also consider allocation of existing housing certificates, which after being authorized for use in a project-based manner, became in many respects the equivalent of mod rehab units. HUD records show that Demery sent 150 units of existing housing certificates to Jefferson Parish in FY 1988 and 200 units in FY 1989.

* Demery's phone numbers listings give the following numbers of certain persons mentioned above.

David M. Barrett: (202) 293-3306 (O); (202) 374/1825 (Car); (301) 469-5491 (H);
Herb Camatte: (504) 889-2307(O); (504) 845-8730(H);
Steve Edgett: (504) 277-7562; (504) 271-5385;
John Mamoulides: (504) 368-1020.