

CHERYL BRUSKOTTER, Director of Community Development, Civic Center, Great Falls, Montana, was interviewed in her office on October 31, 1988 by Special Agent JOHN R. BALAUN.

BRUSKOTTER advised as follows:

BRUSKOTTER has been Director of Community Development for Great Falls since 1982. WILLIAM PINGREE and NORMAN DAHLE have been known to BRUSKOTTER since about 1983. PINGREE and DAHLE are developers operating as PINGREE AND DAHLE. They recently completed construction of a Moderate Rehab project, the ELMORE HOTEL, and have just been awarded another project, FRANKLIN SCHOOL.

PINGREE and DAHLE visited the Community Development office about 1983 and discussed with BRUSKOTTER the feasibility of a one and two bedroom Moderate Rehabilitation project using the ELMORE HOTEL. BRUSKOTTER and her staff believed because of the close proximity of the hotel to the downtown area and other factors, it would be a good rental housing program. BRUSKOTTER does not recall many of the administrative details prior to the funding of the ELMORE HOTEL project. BRUSKOTTER's department ran a Conditional NOFA advertising for proposals for 70 units on June 3, 1984. BRUSKOTTER does not know who wrote the advertisement, or why the number of units and bedroom size was as specified.

A number of proposals were received as a result of the advertisement but BRUSKOTTER cannot locate any proposal besides that submitted by PINGREE AND DAHLE. The selection committee of the city included BRUSKOTTER, and NANCY STEPHENSON and JOY HANLET, both members of the housing authority board. The committee selected the proposal of PINGREE AND DAHLE after proper consideration of all proposals.

The city applied for and received the Moderate Rehab units after the selection of the PINGREE AND DAHLE proposal.

In years prior to the ELMORE HOTEL project the city first obtained a Moderate Rehab allocation, then found a project. The ELMORE HOTEL was different as the city found the project, then it received the allocation.

The city received authority for 70 units and the ELMORE HOTEL consisted of only 60 units. The other ten units went to an unrelated development, the name of which BRUSKOTTER cannot recall.

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Date Transcribed: November 3, 1988

The proposal of PINGREE AND DAHLE was selected because it most closely conformed to the selection criteria HUD established for the program. PINGREE AND DAHLE was familiar with the program so that firm was able to prepare the proposal to coincide with the criteria. BRUSKOTTER believes the selection was made after proper competition.

PINGREE AND DAHLE did seem to know before the city that Moderate Rehab units would become available. BRUSKOTTER does not know where the firm learned of the availability, but it may have been from some trade publication.

BRUSKOTTER has a slight recollection that PINGREE or DAHLE referred to a consultant in Washington, D.C., who may have been aware if units were to become available. She does not know the consultant's name.

The ELMORE HOTEL project was awarded to PINGREE AND DAHLE about 1984, but construction was not completed until about one year ago.

About January 1988 PINGREE AND DAHLE were looking at the old FRANKLIN SCHOOL ~~building in~~ Great Falls. The firm approached the Community Development Department and discussed converting the school building into a family project using the Moderate Rehab program. JB

The Community Development Department felt there was a need for family units in the area of the school building. The Community Development Department discussed the matter with the Montana Department of Commerce and was told to advertise a Conditional NOFA. (NOTE: BRUSKOTTER does not recall who wrote the advertisement for the Conditional NOFA, but as BRUSKOTTER's handwritten notes appear on a copy of the advertisement for the Conditional NOFA for the earlier project awarded to PINGREE AND DAHLE, it appears that she wrote the latter advertisement using the earlier advertisement as a guide.)

The Community Development Department knew that PINGREE AND DAHLE had a proposal ready for FRANKLIN SCHOOL and the department felt the units were marketable and needed so the advertisement was written to state the approximate number of units as were in the PINGREE AND DAHLE proposal.

After the 1988 advertisement, only the PINGREE AND DAHLE proposal was received and it was selected. Subsequently, HUD invited the Montana Department of Commerce to apply for Moderate Rehab units. Great Falls requested 40 three bedroom units, which coincides with the PINGREE AND DAHLE proposal, and HUD recently awarded these units to the city.