

NORMAN C. DAHLE, President, 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.

DAHLE advised as follows:

DAHLE and WILLIAM PINGREE began business as PINGREE AND DAHLE in February 1982. The firm has been engaged in land development and construction supervision.

In 1982 PINGREE AND DAHLE learned that Montana, through the Department of Commerce, had HUD Moderate Rehab units available from a HUD allocation in 1982. PINGREE AND DAHLE submitted proposals and was awarded three small projects. PINGREE AND DAHLE did 17 units in Butte, and 24 units in both Missoula and Helena. The projects in two of the cities were awarded after NOFA advertisements were run in the local paper. The third project had already been selected before PINGREE AND DAHLE came on the scene and PINGREE AND DAHLE merely bought into the project.

In 1984 PINGREE and DAHLE visited Great Falls and asked if the city needed any Section 8 housing. DAHLE recalls that CHERYL BRUSKOTTER and KEVIN HAGER were consulted and that they advised there was a need for one and two bedroom units. PINGREE AND DAHLE then found the ELMORE HOTEL building, which was suitable for the units needed by Great Falls. The negotiated an option to purchase the property.

PINGREE and DAHLE were aware that HUD came down with Moderate Rehab allocations each year, and they suggested that Great Falls run a NOFA advertisement, announcing the units for competition, conditional upon the city receiving the allocation from HUD.

The Conditional NOFA advertisement was run and the city received a number of proposals. The proposal of PINGREE AND DAHLE was selected by the city. The selection criteria included the size of the project and the amount of money which would be spent on the rehabilitation. Other factors were accessibility to the handicapped and whether the project would benefit blighted areas.

After the PINGREE AND DAHLE proposal was selected, the city submitted an application to ROGER PEDERSEN, Montana Department of Commerce. PEDERSEN submitted the application of Great Falls to HUD which did award the units requested by Great Falls.

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The ELMORE HOTEL was completed in December 1987. PINGREE AND DAHLE have received only one additional project since the ELMORE HOTEL. That project is the FRANKLIN SCHOOL, also in Great Falls.

In 1987 while completing the ELMORE HOTEL, PINGREE and DAHLE talked to OPPORTUNITIES, INC. concerning the needs of Great Falls. OPPORTUNITIES, INC. is a city agency which handles the rental of the units for the city. LINDA MCNIEL mentioned the city needed three bedroom apartments.

DAHLE talked to BRUSKOTTER and HAGER and they agreed there was a need for three and four bedroom units, and that 40 units would be about the number required. DAHLE does not recall who brought up the figure of 40 units.

PINGREE AND DAHLE located the FRANKLIN SCHOOL building, and negotiated an option to purchase the building from the school district.

The city the ran a Conditional NOFA advertisement and PINGREE AND DAHLE submitted the proposal for FRANKLIN SCHOOL, which was for 38 units. No other proposals were received and the FRANKLIN SCHOOL proposal was selected.

DAHLE did not tell HUD Auditor JOHN RODGERS that PINGREE AND DAHLE did not know of FOOD FOR AFRICA. DAHLE told Auditor Rodgers that he was not familiar with the name but would check out whether the firm had any knowledge of FOOD FOR AFRICA.

DAHLE learned that PINGREE AND DAHLE, through MARTIN ARTIANO, a Partner in Washington, D.C., had contributed \$1,000 to FOOD FOR AFRICA. DAHLE did not tell RODGERS about what he had learned because the subject did not come up.

ARTIANO is an attorney in Washington. As a Partner he serves as liaison between PINGREE AND DAHLE and financial sources. He arranges for the syndication of projects. ARTIANO called and asked permission to donate \$1,000 to FOOD FOR AFRICA. DAHLE felt it was important to feed Africans. DAHLE does not know of any HUD employees who were involved in FOOD FOR AFRICA.

DAHLE has been a personal friend of GORDON WALKER, a former HUD employee, for several years. He met TIM COYLE, another HUD headquarters employee, and HUD Regional office employees including DONALD DIRKSEN, RICHARD BRINK, TOM CUSACK, and BILL NISHIMURA, but had not had more than a passing relationship with any of them.

ARTIANO has had contact with TIM COYLE and PHIL ABRAMS at HUD headquarters.

PINGREE AND DAHLE has utilized the Moderate Rehab program to provide housing for people. The firm has never used any undue influence to obtain the allocation of units from HUD.

PINGREE AND DAHLE has been successful in winning the competition for units because the firm does its homework, then prepares applications which meet the needs of the community, and which will rank high using the selection criteria which is well known to PINGREE AND DAHLE.

Neither PINGREE AND DAHLE, nor any of the persons involved with the firm, have never paid money for any allocation of units.