



## OFFICE OF INDEPENDENT COUNSEL

444 NORTH CAPITOL STREET      SUITE 519  
WASHINGTON, D.C. 20001

August 20, 1993

BY HAND

Stephen V. Wehner, Esq.  
513 Capitol Court, N.E.  
Suite 200  
Washington, D.C. 20002

Re: United States v. Dean, 92-181 (TFH)

Dear Mr. Wehner:

As we have stated on many occasions, the Government recognizes its obligation to provide discovery to the defense pursuant to the Court's discovery orders, Rule 16 of the Federal Rules of Criminal Procedure, and Brady v. Maryland, 373 U.S. 83 (1963). Although we believe that most of the following material is not exculpatory of defendant Dean, nonetheless, in an abundance of caution, the Government provides the following information:

1. Dubois Gilliam stated that he believes that Thomas Demery had the final say on the distribution of Mod Rehab units for the Terre Mark project.
2. Janice Golec stated that Deborah Dean cautioned her not to get anywhere near the Patriots Group project. She also stated that many people were involved in the Mod Rehab units awards decision. Deborah Dean, the Assistant Secretary of Housing, possibly the Under Secretary of Housing, and the Deputy Assistant Secretary for Multi-Family Housing were all involved in the decision. Golec further stated that Maurice Barksdale, Deborah Dean or Lance Wilson, the Deputy Assistant Secretary, Silvio DeBartolomeis, a General Counsel, and the Under Secretary (if an Under Secretary was in place, it was Philip Abrams for a time) made the Mod Rehab funding decisions. Golec advised that, by mid- to late 1984 she understood that Deborah Dean, Secretary Pierce, the General Counsel, the Under Secretary, and the Assistant

ATTACHMENT 3

Secretary of Housing were involved in the Mod Rehab decision-making process in some fashion. In addition, Golec said that, shortly after Golec attended a lunch with Marion Pines and James Lomenick, Deborah Dean called Golec into her office and reprimanded Golec for attending the luncheon because it might give the city of Baltimore the wrong impression.

3. J. Michael Dorsey stated that Deborah Dean did speak for Secretary Pierce on occasion, or at least said that she did.
4. Maurice Barksdale stated that Deborah Dean never instructed him to fund particular public housing authorities. Barksdale also stated that, as Assistant Secretary for Housing, he had been responsible for making decisions concerning Mod Rehab allocations, and he denied that Deborah Dean or anyone else had made any of those decisions. Barksdale acknowledged that requests came from the Secretary's office concerning allocations of Mod Rehab units, but he stated that those requests never were in the form of a demand. Barksdale further stated that the Mod Rehab selection committee usually met in his office or in a conference room. Deborah Dean definitely would have known of the committee and, in fact, may have attended one or two meetings to present information relative to the funding of certain public housing authorities.

Barksdale stated that Dean could have discussed with Barksdale about Mod Rehab units going to Jacksonville, Florida. She would have said that "the Secretary was interested." She would have asked Barksdale about the status of the units. Barksdale would have responded that he would check with the HUD Secretary about the request. Dean would then have dropped the subject.

Barksdale stated that, in addition to input from Barksdale's staff, Pierce's Executive Assistants Lance Wilson and Deborah Dean frequently contacted Barksdale and indicated that a politician, consultant, or developer had an interest in a specific project. According to Barksdale, Dean and Wilson represented that they were acting on Pierce's behalf.

Barksdale stated that, when Deborah Dean would call him, sometimes she would say that she was

calling on the Secretary's behalf and sometimes she would just call herself, but that, any time she called, Barksdale assumed that she was calling on behalf of the Secretary's office because she was an Executive Assistant and reported to the Secretary. Barksdale also said that, if he was asked to consider a funding situation that his staff had recommended against or there was no way in the world that it legitimately could be put together or worked out, he would ask to speak to the Secretary and would ask the Secretary whether in fact Deborah Dean was really representing him; according to Barksdale, in many situations the Secretary would say yes.

5. Pamela H. Patenaude stated that she did not believe Deborah Dean to be heavily involved in the allocations of Mod Rehab units during Maurice Barksdale's tenure. Patenaude also stated that Deborah Dean commanded a great deal of authority and made it a regular habit to invoke the Secretary's name when she was directing people to take certain actions. In addition, Patenaude said that at all times Deborah Dean invoked the name of the Secretary when she ordered decisions on Mod Rehab funding and that such was the authority that she used to make the funding decision.
6. Richard Giegengack stated that the funding of the Mod Rehab program was at the discretion of HUD Secretary Samuel Pierce. Dean and two other individuals, whom he could not identify by name or title, had authority and delegation from Pierce in dispensing units of the Mod Rehab program.
7. Shirley McVay Wiseman stated that Dean routinely said that the Secretary wanted the Durham Hosiery Mill project funded and that, on a weekly basis, Dean would follow up with her on any progress she had made. She stated that eventually several weeks had passed when she received an unsolicited phone call from Secretary Pierce himself. Wiseman said that Pierce asked her, in substance, whether Dean had been talking to Wiseman about the Durham Hosiery Mill project. Furthermore, Wiseman advised that, with regard to the Durham Hosiery Mill project, Dean would routinely suggest that either the Secretary wanted it funded or "we want it funded," and that Dean intended that to mean that both she and the Secretary wanted the project funded.

8. Silvio DeBartolomeis stated that, during the tenures of Barksdale, Wiseman, and Hale as Assistant Secretaries for Housing, he was not aware of any Mod Rehab funding selection committee and he did not believe that there were any "behind the scenes" decisions being made but instead believed that these individuals used the fair share criteria for 85% of the Mod Rehab funding and that, as in most programs, 15% of the Mod Rehab funds available were discretionary. DeBartolomeis further advised that it was his impression that Dean had first become involved in Mod Rehab funding decisions when he (DeBartolomeis) had become Acting General Deputy Assistant Secretary. He also stated that he once advised Dean that, because he was the Acting FHA Commissioner, the decision-making authority on Mod Rehab projects should be his and his alone and that Dean responded that he was only the Acting FHA Commissioner and that, in fact, Secretary Pierce was making funding decisions until an Assistant Secretary for Housing/FHA Commissioner was appointed.

DeBartolomeis stated that, in connection with Deborah Dean's having initiated a Mod Rehab funding round in DeBartolomeis's absence (when he was in Geneva, Switzerland), Dean replied that she did it for the Secretary, who wanted it done.

9. Starr Eckert stated that Dean wielded a lot of power at HUD and often used the Secretary's name, with or without his knowledge.
10. Stuart Davis stated that both Lance Wilson and Deborah Dean would invoke the Secretary's name on frequent occasions and suggest that the Secretary wanted a particular funding action taken. He also said that both Wilson and Dean would suggest directly that they were speaking for the Secretary in matters relating to funding decisions and that neither Abrams nor Barksdale had a relationship with Pierce that would have allowed them to directly question Pierce as to his position on these funding matters. Davis further stated that it was typical for Wilson or Dean to say that the Secretary wanted this particular project funded and that Abrams and Barksdale did not seek to confirm these particular directions with Secretary Pierce.

In addition, Davis said that Mod Rehab units usually were awarded after Maurice Barksdale received a telephone call from someone in the Secretary's office, usually Deborah Dean or Thomas Demery, to fund a specific project. Davis also said that, while, technically, Barksdale's signature was required for all funding decisions related to Section 8 allocations, funding decisions actually were made by someone in the Secretary's office (Lance Wilson - 4/84 or Deborah Dean) or someone in the Under Secretary's office (Philip Winn).

Davis further stated that he recalled several instances in which either Deborah Dean or Lance Wilson called or met with Maurice Barksdale to tell Barksdale that Secretary Pierce wanted certain projects funded, and that on several occasions he (Davis) was in the room with Barksdale when either Wilson or Dean came in and communicated that.

11. Thomas Casey stated that Lance Wilson did not cite Secretary Pierce's name the way that Deborah Dean later did. Casey also stated that he believed that some of the other Special Assistants believed Dean when she said that the White House or Secretary Pierce wanted various things done, but that he (Casey) did not believe her.
12. Thomas Demery stated that he once asked Pierce how he (Demery) would know when there was a particular Mod Rehab effort that Pierce was interested in and that Pierce replied that he would speak through Dean.  
  
Demery also said that he served as the key advisor to the Secretary on all federal housing policy issues and was responsible for the control and distribution of substantial amounts of annual funding authority that are utilized to produce and rehabilitate additional assisted housing and to provide housing subsidy assistance to eligible households under a variety of different programs.
13. Eli Feinberg stated that he recalled conversations during which Richard Shelby said that Shelby had made telephone calls and had visited people in connection with seeking Mod Rehab funding for Park Towers. DeBartolomeis was one of the people with whom Shelby spoke. Feinberg also stated that he became aware that Shelby and Dean were good

friends and that Shelby would check with Dean on the status of how things were going through the bureaucracy regarding Park Towers.

14. Marion Pines stated that Janice Golec and Deborah Dean were not involved in Uplift.
15. Lory G. Breneman stated that she attempted to locate the financial disclosure form submitted by Deborah Gore Dean when she was a Presidential nominee in 1987, but that she (Breneman) was unable to find the form after reviewing all of the files submitted to Archives by the U.S. Senate Committee for Banking, Housing, and Urban Affairs (Senate Banking Sub-Committee), plus additional files submitted to Archives.

Breneman stated she contacted Archives and requested that someone look for Deborah Dean's file and that, shortly thereafter, was told that Dean's file was missing.

16. Andrew C. Sankin stated that he understood that the Secretary was the decision-maker as far as where Mod Rehab units went and would use the discretionary nature of the program in such a way as to further his own agenda. Sankin also said that he understood that, as Executive Assistant to the Secretary, Dean was the Secretary's alter ego and that she "would have great impact on the Secretary's discretion."
17. Sherrill Nettles Hawkins stated that Mod Rehab funding decisions were made by the Assistant Secretary for Housing and the Secretary, and that Deborah Dean acted on behalf of the Secretary.
18. Claude Dorsy stated that he believed that, at some point in time, Lou Kitchin indicated that he was working with Thomas Demery.
19. Louis L. Kitchin stated that Deborah Dean did not provide any personal favors to him relative to HUD business. Kitchin was reminded that he previously had stated that Dean had interceded on the Woodcrest project. Kitchin then said that Dean had done nothing more on the Woodcrest project than to take it through the normal course at HUD. According to Kitchin, Jim Hamernick's office made the decision to fund the Woodcrest project. Kitchin advised that Hamernick was the head of the Office of Multi-Family Housing and that Kitchin

did not believe that Hamernick would have accommodated a request from Dean that the project be funded. Although Kitchin acknowledged that it could be perceived that he did a favor for Dean in providing the money to her, he denied that he provided the money to Dean in return for any official acts. Kitchin further stated that he perceived that there were approximately five persons on the Mod Rehab allocation committee at HUD Headquarters and that Dean sat on the committee in Secretary Pierce's absence.

20. Richard D. Shelby stated that, at some point in 1985, he became aware that there was a panel or committee that reviewed applications for Mod Rehab units and that the Under Secretary, the Assistant Secretary for Housing, and the Executive Assistant to the Secretary made up the panel. According to Shelby, the panel made specific recommendations to the Secretary regarding allocations of Mod Rehab units. Moreover, Shelby continued that the Secretary made the ultimate decision regarding Mod Rehab funding but that he usually (about 98% of the time) acted on the recommendations of the panel. Shelby also stated that, in connection with Eli Feinberg's remark that "our friend was meeting with the contact at HUD this coming week," Shelby believed that "the contact at HUD" meant Silvio DeBartolomeis rather than Deborah Dean, because, as of August 1985, most of Shelby's contacts regarding Park Towers had been with DeBartolomeis, and that these contacts had been with DeBartolomeis alone, although they were not behind closed doors. In addition, Shelby said that Deborah Dean, Silvio DeBartolomeis, and the Under Secretary were on the panel that made the decision to award Mod Rehab units to Park Towers.

Shelby further said that, to his knowledge, Deborah Dean was not aware that John Mitchell was involved in the Park Towers project.

21. Rickie Kent Price stated that, during a telephone conversation with Silvio DeBartolomeis, DeBartolomeis advised Price that he (DeBartolomeis) no longer was the final authority on Mod Rehab funding decisions, that "no one in this office is," and that the decision was going to go to the tenth floor and that Deborah Dean would have the final say.

31. George Ramonas stated that, at some point, he knew that Deborah Dean was on a committee (although he did not know whether the committee was formed pursuant to statute or regulation or was otherwise a formalized committee) and that she had great impact on whatever went on in the Department, as did the Secretary and the Under Secretary and the housing person.
32. Rosalie DeBartolomeis stated that, in response to an inquiry concerning whether HUD could assist the State of Florida, Deborah Dean told her that DeBartolomeis would have to contact Thomas Demery because Dean did not have that authority.

Very truly yours,

*Robert E. O'Neill*

Robert E. O'Neill  
Paula A. Sweeney  
Associate Independent Counsel