

Atty

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Holding a Criminal Term
Grand Jury Sworn in on December 6, 1990

UNITED STATES OF AMERICA,

v.

DEBORAH GORE DEAN,

Defendant.

Criminal No: 92-181-GAG

Violations:

18 U.S.C. §371
(Conspiracy)

18 U.S.C. §201(c)(1)(B)
(Illegal Receipt of
Thing of Value By
Public Official)

18 U.S.C. §1621 (Perjury)

18 U.S.C. §1001 (Scheme
to Falsify, Conceal
and Cover up, and
False Statements)

18 U.S.C. §2 (Principals;
Aiding and Abetting)

MAIL

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S U P E R S E D I N G I N D I C T M E N T

THE GRAND JURY CHARGES:

JUL - 7 1992

INTRODUCTION TO ALL COUNTS

At all times relevant to this Indictment:

The United States Department
of Housing and Urban Development

1. The United States Department of Housing and Urban
Development ("HUD") was created by Act of Congress "to achieve
the best administration of the principal programs of the Federal
Government which provide assistance for housing and for the
development of the Nation's communities" 42 U.S.C. §3531.

SUPERSEDING

developers would rehabilitate the rental properties in return for receiving Mod Rehab rental subsidies. At all times relevant to this Indictment, the requests for Mod Rehab funds from PHAs and property owners and developers far exceeded funds available for distribution by HUD.

The Defendant

5. From in and around November 1982 to in and around the Spring of 1984, the defendant DEBORAH GORE DEAN was the Director of the Executive Secretariat of HUD and a Special Assistant to the Secretary of HUD; and from in and around the Spring of 1984 through July 1987, the defendant DEBORAH GORE DEAN was Executive Assistant to the Secretary of HUD with responsibilities ranging over all HUD Programs, including the Mod Rehab Program.

6. During her tenure at HUD, the defendant DEBORAH GORE DEAN would and did facilitate the award of Mod Rehab funds, and other HUD monies and contracts, to benefit housing developer/clients of certain private consultants she favored, whereby the consultants received hundreds of thousands of dollars in consulting fees, the developers received millions of dollars in HUD awards, and the defendant DEBORAH GORE DEAN received tangible and intangible benefits and things of value for her family and herself.

7. Among the consultants favored by the defendant DEBORAH GORE DEAN was Unindicted Co-conspirator One (with whom she had a stepfather/daughter relationship), Unindicted Co-conspirator Two (a former governor), Unindicted Co-conspirator Three (a

consultant), Unindicted Co-conspirator Four (a consultant, lawyer and real estate property manager who performed services for the defendant DEBORAH GORE DEAN and her family) and Co-conspirator Five (a consultant) and others known and unknown to the Grand Jury.

8. In and around June 1987, the defendant DEBORAH GORE DEAN was officially nominated by the White House for the position of Assistant Secretary of HUD for Community Planning and Development, a nomination she had actively sought since at least as early as the Fall of 1986. This post required Senate confirmation.

9. In and around July 1987, the defendant DEBORAH GORE DEAN officially resigned from her position as Executive Assistant to the Secretary of HUD, but remained at HUD as a paid consultant, pending hearings by a Senate Committee on her nomination for the position of Assistant Secretary of HUD.

10. The Committee on Banking, Housing, and Urban Affairs of the United States Senate ("the Senate Banking Committee") is a committee of the United States Senate with oversight responsibilities for HUD. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified on her own behalf, under oath, before the Senate Banking Committee, which was conducting hearings on her nomination.

11. During her testimony before the Senate Banking Committee, the defendant DEBORAH GORE DEAN stated under oath, among other things, "I have never given or approved or pushed or

coerced anyone to help any developer . . .," and that with respect to attempts by developers to try to meet with people at the HUD Washington headquarters, "[i]t's a tremendous waste of time . . ."

12. In making these statements, among others, the defendant DEBORAH GORE DEAN: (a) continued a pattern of conduct designed to conceal the manner in which the Mod Rehab funding process was, in fact, being administered and her role in the administration of the Program; and, (b) attempted to assure the continued funding of the projects she had facilitated for the benefit of her Co-conspirators; and, (c) tried to protect herself and her Co-conspirators from discovery; and, (d) misled the Senate and the American public.

13. The defendant DEBORAH GORE DEAN was not confirmed by the Senate as an Assistant Secretary of HUD. On or about January 8, 1988, she left HUD and established a consulting firm.

HUD Standards of Conduct Applicable
to the Defendant DEBORAH GORE DEAN

14. At all times while she was a HUD employee, the defendant DEBORAH GORE DEAN was subject to HUD's Standards of Conduct, which provided that a HUD employee "shall not solicit or accept, directly or indirectly, any . . . thing of monetary value" from a person who "has, or is seeking to obtain contractual or other business or financial relations with the Department" or who has "interests that may be substantially affected by the performance or nonperformance of the employee's official duty."

24 C.F.R. §0.735-203.

15. At all times while she was a HUD employee, the defendant DEBORAH GORE DEAN was subject to HUD's Standards of Conduct, which further provided that a HUD employee shall not "[h]ave a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his [or her] Government duties and responsibilities." 24 C.F.R. §0.735-205(a)(1).

16. At all times while she was a HUD employee, the defendant DEBORAH GORE DEAN was subject to HUD's Standards of Conduct, which further provided that "for the purpose of furthering a private interest, an employee shall not ... directly or indirectly use, or allow the use of, official information obtained through or in connection with his [or her] Government employment which has not been made available to the general public." 24 C.F.R. §0.735-207.

17. At all times while she was a HUD employee, the defendant DEBORAH GORE DEAN was subject to HUD's Standards of Conduct, which further required HUD employees to avoid any action, whether or not specifically prohibited by other HUD regulations, that might result in, or create the appearance of, "[u]sing public office for private gain," "[g]iving preferential treatment to any person," or "[l]osing complete independence or impartiality." 24 C.F.R. §0.735-202.

C O U N T O N E

(Conspiracy)

Statutory Allegations

1. Beginning in and around 1983, the exact date being unknown to the Grand Jury, and continuing thereafter up to and including the present, in the District of Columbia and elsewhere, the defendant DEBORAH GORE DEAN did unlawfully, knowingly, and willfully combine, conspire, confederate and agree with Unindicted Co-conspirator One, and Unindicted Co-conspirators Two and Three, and other Unindicted Co-conspirators, known and unknown to the Grand Jury:

A. to defraud the United States and an agency of the United States by depriving HUD and the citizens of the United States of their right to the conscientious, loyal, faithful, disinterested and unbiased services, actions, and performances of official acts by the defendant DEBORAH GORE DEAN in her official capacity, free from deception, fraud and improper and undue influence; and

B. to defraud the United States and an agency of the United States by depriving HUD and the citizens of the United States of their right to have HUD's business and affairs conducted in an honest and impartial way, as the same should be, free from deception, fraud, and improper and undue influence; and

C. to commit offenses against the United States, to wit, the defendant DEBORAH GORE DEAN, in matters within the jurisdiction of a department and agency of the United

States, would knowingly and willfully falsify, conceal, and cover up material facts, by a trick, scheme and device, in violation of Title 18, United States Code, Section 1001.

The People and Entities Involved in
the Conspiracy Charged in Count One

2. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

3. Co-conspirator One was a former Attorney General of the United States.

4. In and around November 1979, Co-conspirator One formed Global Research International, Inc. ("GRI"). By 1984, GRI was located at 2828 Pennsylvania Avenue, NW, Washington, D.C., and by December 1986, had moved to 2300 M Street, NW, Washington, D. C., where it was located through 1988. During relevant times, Co-conspirator One and GRI were retained by consultants and their developer/clients to help them obtain Mod Rehab units and other HUD benefits from HUD Washington headquarters ("HUD Central").

5. Mary Gore Dean is the mother of the defendant DEBORAH GORE DEAN. During all times relevant, the defendant's mother was the close companion of Co-conspirator One. Co-conspirator One lived in a Georgetown home owned by Mrs. Dean and at Marwood, the family Potomac River estate in Maryland.

6. During the relevant period of time, the defendant DEBORAH GORE DEAN considered Co-conspirator One to be her stepfather and referred to him as her father and "Daddy," and Co-conspirator One referred to the defendant DEBORAH GORE DEAN as

his "daughter." The Co-conspirators told developers/clients of their association with the defendant DEBORAH GORE DEAN's stepfather, Co-conspirator One.

7. Co-conspirator Two, a person known to the Grand Jury, was during the relevant period of time, a former governor and consultant who held himself out as a person able to get HUD Mod Rehab funding directed to particular PHAs for the benefit of specific developers. He was hired by Florida housing developer Aristides Martinez ("Art Martinez") and his partners to get HUD Mod Rehab funding for two housing development projects, one known as Arama and the other known as South Florida I. Co-conspirator Two retained Co-conspirator One to assist him in obtaining Mod Rehab units from HUD Central.

8. Co-conspirator Three, a person known to the Grand Jury, was during the relevant period of time, a consultant who held himself out as a person able to get HUD Mod Rehab funding directed to particular PHAs for the benefit of specific developers. His company was hired by Florida housing developer Martin Fine and his partners to get HUD Mod Rehab funding for a housing development known as the Park Towers Project. Co-conspirator Three retained Co-conspirator One to assist him in obtaining Mod Rehab units from HUD Central.

9. During the relevant period of time, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of HUD Mod Rehab funds for the benefit of developer/clients of Co-conspirator One and Co-Conspirators Two and Three. These

awards authorized expenditures by HUD in excess of \$4,000,000 in yearly contract payments by HUD and in excess of a total of \$66,000,000 in Mod Rehab payments over the 15-year period of the Mod Rehab contracts. The defendant DEBORAH GORE DEAN well knew that these awards would benefit Co-conspirator One and his company GRI, and their other Co-conspirators. Co-conspirator One and his company received, as a result of these projects alone, a total of at least \$234,000 in consulting fees. Co-conspirator Two received more than \$300,000, and Co-conspirator Three, his employer and other consultants working with them received approximately \$175,000, for a total of more than \$700,000 in consulting fees generated for the benefit of the Co-conspirators of the defendant DEBORAH GORE DEAN.

Goals of the Conspiracy Charged in Count One

10. It was a goal of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to benefit and enrich herself and her family, and in particular Co-conspirator One, whom she considered to be her stepfather and a family member.

11. It was a further goal of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to benefit and enrich her other Co-conspirators, who had retained Co-conspirator One for the purpose of obtaining HUD benefits, and that they would in fact be benefitted and enriched.

12. It was a further goal of the conspiracy that the Co-conspirators would provide tangible and intangible benefits to the defendant DEBORAH GORE DEAN.

13. It was a further goal of the conspiracy that the defendant DEBORAH GORE DEAN would falsify, conceal, and cover up the manner in which HUD funding decisions were actually made in order to hide the existence and ongoing nature of the conspiracy.

Manner and Means of Accomplishing
the Goals of the Conspiracy Charged in Count One

14. It was a part of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to facilitate the award of Mod Rehab funds and other HUD benefits for the benefit of consultants or developers who hired Co-conspirator One, whom the defendant DEBORAH GORE DEAN considered to be her stepfather and a member of her family.

15. It was a further part of the conspiracy that Co-conspirator One would be hired by the other Co-conspirators to get Mod Rehab funds and other HUD benefits for their developer/clients.

16. It was a further part of the conspiracy that the Co-conspirators would tell developer/clients that the defendant DEBORAH GORE DEAN was Co-conspirator One's stepdaughter.

17. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would facilitate awards of Mod Rehab units in the amounts sought by her Co-conspirators.

18. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would provide internal HUD documents and information to her Co-conspirators.

19. It was a further part of the conspiracy that the Co-conspirators would provide their developer/clients with the internal HUD documents and information provided by the defendant DEBORAH GORE DEAN.

20. It was a further part of the conspiracy that the Co-conspirators would benefit and enrich themselves by charging developer/clients for obtaining HUD benefits, including Mod Rehab funds and units.

21. It was a further part of the conspiracy that Co-conspirator One would benefit and enrich himself, and thereby benefit and enrich defendant DEBORAH GORE DEAN and her family, by charging the other Co-conspirators for obtaining HUD benefits, including Mod Rehab funds and units.

22. It was a further part of the conspiracy that the Co-conspirators would provide tangible and intangible benefits to the defendant DEBORAH GORE DEAN.

23. It was a further part of the conspiracy that defendant DEBORAH GORE DEAN would falsify, conceal and cover up the manner in which HUD funding decisions, including Mod Rehab funding decisions, were actually made, in order to hide the existence and ongoing nature of the conspiracy, so that its goals might be accomplished.

**OVERT ACTS OF THE CONSPIRACY
CHARGED IN COUNT ONE**

On or about the dates set forth below, among others, in the District of Columbia and elsewhere, the following overt acts, among others, were committed or caused to be committed in furtherance of the conspiracy and to effect the goals thereof:

The Arana Project

24. On or about a date after February 6, 1983, the defendant DEBORAH GORE DEAN wrote a note to "JNM," on another HUD employee's note, "re: MarBilt," a Florida housing development company in which Art Martinez had an interest.

25. On or about March 31, 1983, Co-conspirator Two caused a letter to be sent addressed to Co-conspirator One, regarding Co-conspirator One's assistance at HUD in connection with a problem Marbilt and Art Martinez had with the Jacksonville HUD Field Office.

26. On or about a date after March 31, 1983, the defendant DEBORAH GORE DEAN caused a letter to be sent to Co-conspirator One, addressed to "Dear Dad," enclosing internal HUD correspondence relating to the Marbilt problem.

27. On or about a date after October 7, 1983, the defendant DEBORAH GORE DEAN sent a note to Co-conspirator One addressed to "Daddy," enclosing an internal HUD memo relating to the favorable resolution at HUD Central of the Marbilt problem.

28. On or about January 5, 1984, Art Martinez sent a letter to Co-conspirator Two, addressed to "Global Research, 2828

Pennsylvania Avenue, Washington, D.C.," a company in which Co-conspirator One had an interest.

29. On or about January 25, 1984, Co-conspirator Two entered into agreements with Art Martinez and his partners in which Co-conspirator Two contracted to obtain up to 300 Mod Rehab units for use by Arama Ltd., in Dade County, Florida. The contract provided that Arama would pay Co-conspirator Two a total of \$375,000 for his services, \$225,000 in legal fees and \$150,000 in consulting fees.

30. On or about January 25, 1984, Co-conspirator Two wrote on the consulting contract document that one-half of the \$150,000 was to be paid to Co-conspirator One.

31. On or about April 11, 1984, the agreement between Co-conspirator Two and Arama was increased by \$50,000.

32. On or about July 5, 1984, the defendant DEBORAH GORE DEAN signed and caused to be sent a letter addressed to Co-conspirator Two, "c/o Global Research International, 2828 Pennsylvania Avenue, Washington, D.C.," about a "recent telephone conversation with General Mitchell concerning Arama Partnership's request to HUD" for 293 Mod Rehab units, stating that "the Arama Project will definitely receive these units from HUD," and expressing her "hope that the additional units will make the partnership a viable venture."

33. On or about July 6, 1984, Co-conspirator Two caused a letter to be sent to Art Martinez stating that "I can assure you

without any reservations that the Arama Rehab project has been approved in the Washington office "

34. On or about July 17, 1984, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated an award of 293 Mod Rehab units to the Metro-Dade PHA, with a yearly contract authority of approximately \$1,869,000, and an overall budget authority of approximately \$28,042,000.

35. On or about July 18, 1984, the defendant DEBORAH GORE DEAN caused a HUD Special Services delivery to "Arama Partnership, c/o Global Research Int'l, 2828 Pennsylvania Avenue, Suite 300, Washington, D.C.," enclosing a copy of an internal HUD funding document dated July 17, 1984, known as a "Rapid Reply Letter," which reflected the award of 293 Mod Rehab units to the Metro-Dade PHA.

36. On or about a date after July 18, 1984, Co-conspirator Two obtained a copy of the "Rapid Reply Letter," dated July 17, 1984, which had been sent by the defendant DEBORAH GORE DEAN to "Arama Partnership, c/o Global Research Int'l."

37. On or about July 31, 1984, Co-conspirator One was paid \$8,613.94 by Co-conspirator Two for Co-conspirator One's services in connection with the 1983 Marbilt problem with HUD.

38. On or about August 15, 1984, the defendant DEBORAH GORE DEAN originated, and authorized the Secretary's autopen signature on, a letter dated August 15, 1984, in which an officer of the Puerto Rico Housing Finance Corporation was told "[a]s you know

HUD does not allocate Section 8 moderate rehabilitation funds on a project specific basis."

39. On or about January 2, 1985, the defendant DEBORAH GORE DEAN signed and caused to be mailed a letter dated January 2, 1985, addressed to a developer in Cleveland, Ohio, in which she said

"The Section 8 Moderate Rehabilitation Program is administered by local and State Public Housing Agencies (PHAs). HUD provides Section 8 Moderate Rehabilitation funds to PHAs, which, in turn, advertise the availability of the funds to the general public and competitively select the units to be rehabilitated under the program.... Federal regulations prohibit HUD from making project specific allocations. Therefore, HUD has no direct role in providing Moderate Rehabilitation funds to specific projects."

40. On or about June 14, 1985, Co-conspirator Two entered into a Memorandum of Understanding with Art Martinez which provided, among other things, that Co-conspirator Two would provide services to Arama in the Jacksonville, Atlanta and Washington HUD offices for the duration of the Arama/HUD Mod Rehab contract, and provided for payments of Co-conspirator Two's fee of \$275,000 to be made from an escrow account, at such time and in such manner as agreed between the Parties in proportion to the services rendered.

41. On or about June 14, 1985, the escrow agent was authorized to release \$75,000 to Co-conspirator Two.

42. On or about July 1, 1985, Co-conspirator Two caused a letter to be written to Co-conspirator One, enclosing a check in

the amount of \$75,000 dated July 1, 1985, payable to Co-conspirator One.

43. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators, HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the Arama Project, in the approximate amount of \$146,000.

The South Florida I Project

44. On or about April 30, 1986, Co-conspirator Two entered into an agreement with Art Martinez and his partners in which Co-conspirator Two contracted to obtain 200 Mod Rehab units for use by a project known as South Florida I, in Dade County, Florida, and which provided that South Florida I would pay Co-conspirator Two a total of \$200,000 for his services.

45. On or about May 21, 1986, Art Martinez wrote a letter to Co-conspirator Two, with a copy to an individual who was Co-conspirator One's business associate in GRI, about the South Florida I project, stating that "[a]s soon as you know that the approval has left Washington, please contact me ... ," and urging that "if we could get that the fund availability is for 219 units, it would be much better, since then there would be no confusion as to whose proposal it is," and enclosing a copy of a letter of May 21, 1986 from the Metro-Dade PHA to South Florida I in which the PHA acknowledges receipt of a proposal for 219 units and states that "[a]s you know we have no uncommitted Section 8 Moderate Rehabilitation monies."

46. On or about a date after May 21, 1986, the defendant DEBORAH GORE DEAN obtained a copy of the letter of May 21, 1986, from Art Martinez to Co-Conspirator Two, in which Martinez urged that the award be for 219, instead of 200 units, to prevent confusion as to the developer's claim on the specific units for his specific project, and a copy of the letter of May 21, 1986 from the Metro-Dade PHA to South Florida I in which the PHA acknowledged receipt of a proposal for 219 units and stated that "we have no uncommitted Section 8 Moderate Rehabilitation monies."

47. On or about June 6, 1986, the defendant DEBORAH GORE DEAN met with the business associate of Co-conspirator One.

48. On or about August 14, 1986, the defendant DEBORAH GORE DEAN caused to be forwarded to HUD's housing office, a copy of the letter of May 21, 1986, from the Metro-Dade PHA to South Florida I in which the PHA acknowledged receipt of the proposal for 219 units and stated that "we have no uncommitted Section 8 Moderate Rehabilitation monies." 40051

49. On or about September 12, 1986, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of 219 Mod Rehab units to the Metro-Dade PHA, with a yearly contract authority of approximately \$1,800,000, and an overall budget authority of approximately \$28,000,000.

50. On or about December 18, 1986, Art Martinez received a letter from the Metro-Dade PHA giving South Florida I approval to proceed with 219 units on scattered sites.

51. On or about December 18, 1986, Co-conspirator Two and Art Martinez entered into a Memorandum of Understanding whereby they agreed, among other things, that Co-conspirator Two would provide services to South Florida I, in the Jacksonville, Atlanta and Washington Central HUD offices for the duration of the South Florida I/HUD Mod Rehab contract, and which provided for periodic partial payments of Co-conspirator Two's \$219,000 fee from escrow, made at such time and in such manner as agreed between the Parties in proportion to the services rendered.

52. On or about December 19, 1986, Co-conspirator Two entered into an agreement with South Florida I, and an escrow agent, providing that Co-conspirator Two was to be paid \$219,000 in fees on the South Florida I contract by the escrow agent, that \$109,000 had been released, and that the remaining \$110,000 would be paid from time to time, with final payment coming upon completion of the duties of Co-conspirator Two.

53. On or about December 22, 1986, Co-conspirator Two acknowledged receipt of a check from South Florida I in the amount of \$109,000 dated December 18, 1986, for "consultant fee."

54. On or about December 22, 1986, Co-conspirator Two caused a letter to be written to Co-conspirator One's business associate, enclosing a check in the amount of \$109,000, dated December 22, 1986, payable to GRI, for "consulting services - S. Fla. One."

55. On or about January 2, 1987, Co-conspirator One deposited a GRI check in the amount of \$10,000 into his personal bank account.

56. On or about February 1, 1987, GRI paid \$50,000 to Co-conspirator One, which he deposited into his personal bank account. Co-conspirator One's business associate also received a \$50,000 check from GRI.

57. On or about May 11, 1990, Co-conspirator Two wrote a letter to Art Martinez seeking final payment of the total fees due and owing on the Arama and South Florida I projects.

58. On or about May 16, 1990, an agent of South Florida I executed the "Authorization for Payment" of the balance of the consulting fees on the Arama and South Florida I projects due and owing to Co-conspirator Two.

59. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators, HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the South Florida I Project, in the approximate amount of \$125,000.

The Park Towers Project

60. On or about May 23, 1985, Co-conspirator One met with Co-conspirator Three.

61. On or about May 30, 1985, Martin Fine, a Florida attorney with an interest in a project known as the Park Towers Apartment Building Project, in Dade County, Florida wrote a letter to Eli Feinberg, an associate/client of Co-conspirator

Three, regarding an agreement for Feinberg to obtain an allocation of HUD Mod Rehab funds for the Park Towers project, and suggesting a fee of \$150,000 if the unit allocation was obtained before December 31, 1985. Feinberg entered into an agreement with Co-conspirator Three for the purpose of obtaining these units.

62. On or about June 20, 1985, the defendant DEBORAH GORE DEAN wrote a letter to Co-Conspirator Three.

63. On or about July 11, 1985, Martin Fine entered into a letter agreement with Eli Feinberg, increasing the total fee for obtaining an allocation of Mod Rehab units for Park Towers to \$225,000.

64. On or about July 31, 1985, Martin Fine had a conversation with Eli Feinberg, in which Feinberg said that "our friend is meeting with the contact at HUD this coming week."

65. On or about August 1, 1985, Co-conspirator Three was scheduled to meet with the defendant DEBORAH GORE DEAN.

66. On or about August 9, 1985, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

67. On or about September 9, 1985, the defendant DEBORAH GORE DEAN met with Co-conspirator One and Co-conspirator Three.

68. On or about September 10, 1985, Co-conspirator Three sent a letter to the defendant DEBORAH GORE DEAN enclosing information regarding the Park Towers Project.

69. On or about November 22, 1985, Co-conspirator Three met with defendant DEBORAH GORE DEAN.

70. On or about November 26, 1985, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of 143 Mod Rehab units to the Metro-Dade PHA, with a yearly contract authority of approximately \$935,000, and an overall budget authority of approximately \$14,000,000.

71. On or about November 27, 1985, Co-conspirator Three obtained an internal HUD funding document, dated November 26, 1985, known as a "Rapid Reply Letter," indicating that Mod Rehab units had been awarded to the PHA for Metro-Dade, Florida.

72. On or about November 27, 1985, Co-conspirator Three caused his employer to fax a copy of the "Rapid Reply Letter," dated November 26, 1985, to Martin Fine in Florida.

73. On or about November 27, 1985, Co-conspirator Three's employer sent a bill for \$45,000 to the developer of Park Towers Apartments, per a July 18, 1985 agreement requiring the payment of \$45,000 if an allocation of Mod Rehab units specifically for Park Towers Apartments was obtained before December 31, 1985. The agreement provided for the balance of \$180,000 to be paid upon the execution of the final Housing Assistance Payments ("HAP") contract for Park Towers Apartments.

74. On or about January 17, 1986, the developer of Park Towers Apartments sent a check for \$45,000 to the company that employed Co-conspirator Three.

75. On or about February 3, 1986, Co-conspirator Three met with the defendant DEBORAH GORE DEAN and discussed a waiver of HUD regulations in connection with Park Towers Apartments.

76. On or about February 4, 1986, Co-conspirator Three's employer sent a check to Co-conspirator One in the amount of \$10,000.

77. On or about January 8, 1987, Park Towers Associates sent a check for \$225,000 to the company that employed Co-conspirator Three.

78. On or about January 14, 1987, the company that employed Co-conspirator Three sent a check in the amount of \$40,000 payable to GRI, the company in which Co-conspirator One had an interest.

79. On or about October 30, 1987, the defendant DEBORAH GORE DEAN met with Co-conspirator Three.

80. On or about December 15, 1987, Co-conspirator One wrote a check in the amount of \$3,324.83 in payment of a bill for a birthday party for the defendant DEBORAH GORE DEAN attended by HUD consultants and employees.

81. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators, HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the Park Towers Project, in the approximate amount of \$77,000.

The Nomination of the
Defendant DEBORAH GORE DEAN

82. Beginning in the Fall of 1986, Co-conspirator One sought to advance the nomination of the defendant DEBORAH GORE DEAN for the position of Assistant Secretary of HUD.

83. On or about November 4, 1986, Co-conspirator Three added his name to a telegram sent to the Director of White House Personnel supporting the nomination of the defendant DEBORAH GORE DEAN to serve as Assistant Secretary of HUD for Community Planning and Development.

84. On or about April 24, 1987, the defendant DEBORAH GORE DEAN placed or caused to be placed a telephone call to Co-conspirator Two.

85. On or about May 14, 1987, the defendant DEBORAH GORE DEAN placed or caused to be placed a telephone call to Co-conspirator Two.

86. On or about May 18, 1987, the defendant DEBORAH GORE DEAN placed or caused to be placed a telephone call to Co-conspirator Two.

87. In or about June 1987, the defendant DEBORAH GORE DEAN submitted a "Statement for Completion by Presidential Nominees" to the Senate Banking Committee in connection with her nomination to the position of Assistant Secretary of HUD for Community Planning and Development. In that Statement, the defendant DEBORAH GORE DEAN represented that to her knowledge, "no investments, obligations, liabilities or other relationships exist which might involve potential conflicts of interest" with the position to which she had been nominated.

88. In the course of the August 6, 1987 confirmation hearings about the defendant DEBORAH GORE DEAN before the Senate Banking Committee, the defendant DEBORAH GORE DEAN testified

that, among other things, Mod Rehab awards were made by a panel at HUD that "goes solely on information provided by the Assistant Secretary for Housing," that she had "never given or approved or pushed or coerced anyone to help any developer," and that "[i]t's a tremendous waste of time" for developers to meet with HUD employees regarding Mod Rehab funding.

In violation of Title 18, United States Code, Section 371.

C O U N T T W O

(Conspiracy)

Statutory Allegations

1. Beginning in and around 1984, the exact date being unknown to the Grand Jury, and continuing thereafter up to and including the present, in the District of Columbia and elsewhere, the defendant DEBORAH GORE DEAN did unlawfully, knowingly, and willfully combine, conspire, confederate and agree with Unindicted Co-conspirator Four, and Unindicted Co-conspirator Three, and other Unindicted Co-conspirators, known and unknown to the Grand Jury:

A. to defraud the United States and an agency of the United States by depriving HUD and the citizens of the United States of their right to the conscientious, loyal, faithful, disinterested and unbiased services, actions, and performances of official acts by the defendant DEBORAH GORE DEAN in her official capacity, free from deception, fraud and improper and undue influence; and

B. to defraud the United States and an agency of the United States by depriving HUD and the citizens of the United States of their right to have HUD's business and affairs conducted in an honest and impartial way, as the same should be, free from deception, fraud, and improper and undue influence; and

C. to commit offenses against the United States, to wit, the defendant DEBORAH GORE DEAN, in matters within the jurisdiction of a department and agency of the United States, would knowingly and willfully falsify, conceal, and cover up material facts by a trick, scheme and device, in violation of Title 18, United States Code, Section 1001.

The People and Entities Involved in
the Conspiracy Charged in Count Two

2. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

3. Mary Gore Dean is the mother of the defendant DEBORAH GORE DEAN. Louise Gore is the sister of Mary Gore Dean, and James Gore is their brother. During times relevant to this indictment, Mary Gore Dean, Louise Gore and James Gore ("the Gore family") together owned, among other things, a rent-controlled apartment house known as The Stanley Arms, in Northwest Washington, D.C.

4. Co-Conspirator Four, a person known to the Grand Jury, was, during the relevant period of time, a lawyer and real estate property manager.

5. In addition, Co-Conspirator Four was a consultant who held himself out as able to get HUD Mod Rehab funding directed to particular PHAs for the benefit of specific developers.

6. The defendant DEBORAH GORE DEAN was instrumental in Co-conspirator Four's employment by the Gore family to manage the Stanley Arms in and around May 1, 1985.

7. During the relevant period of time, the defendant DEBORAH GORE DEAN while facilitating the award of Mod Rehab units for the benefit of developer/clients of Co-conspirator Four, was at the same time, accepting services from Co-conspirator Four at no charge or at below market value for the benefit of her family and herself.

8. During the relevant period of time, Co-Conspirator Four also conferred other benefits upon the defendant DEBORAH GORE DEAN and her family.

9. Co-conspirator Four also acceded to the requests of the defendant DEBORAH GORE DEAN to make contributions to particular individuals running for political office and to charities favored by the defendant DEBORAH GORE DEAN.

10. Co-conspirator Three, a person known to the Grand Jury, was, during the relevant period of time, a consultant who held himself out as a person able to get HUD Mod Rehab funding directed to particular PHAs for the benefit of specific developers.

11. During the relevant period of time, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the

award of HUD Mod Rehab funds for the benefit of the developer/clients of Co-conspirator Four and Co-conspirator Three and their Co-conspirators. These awards authorized expenditures by HUD in excess of \$3,000,000 in yearly contract payments, and in excess of a total of \$52,000,000 in Mod Rehab payments over the 15-year period of the Mod Rehab contracts. The defendant DEBORAH GORE DEAN well knew that these awards would benefit Co-conspirator Four, and their other Co-conspirators. Co-conspirator Four received, as a result of these projects alone, a total of at least \$225,000 in consulting fees. Co-conspirator Three received at least \$132,000 in connection with these projects; and another Co-conspirator associated with Co-conspirator Four received at least \$75,000, for a total of at least \$432,000 in consulting fees generated for the benefit of the Co-conspirators of the defendant DEBORAH GORE DEAN.

Goals of the Conspiracy Charged in Count Two

12. It was a goal of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to benefit and enrich herself and her family.

13. It was a further goal of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to benefit and enrich Co-Conspirator Four, Co-Conspirator Three and their other Co-conspirators, and that they would in fact be benefitted and enriched.

14. It was a further goal of the conspiracy that the Co-conspirators would provide tangible and intangible benefits to the defendant DEBORAH GORE DEAN and her family.

15. It was a further goal of the conspiracy that the defendant DEBORAH GORE DEAN would falsify, conceal, and cover up the manner in which HUD funding decisions were actually made in order to hide the existence and ongoing nature of the conspiracy.

Manner and Means of Accomplishing
the Goals of the Conspiracy Charged in Count Two

16. It was a part of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to facilitate the award of Mod Rehab funds and other HUD benefits for the benefit of consultants or developers who hired Co-conspirator Four, who was a lawyer, consultant and property manager who provided services for the defendant DEBORAH GORE DEAN and her family.

17. It was a further part of the conspiracy that Co-conspirator Four would tell HUD consultants and developers that he could obtain HUD Mod Rehab funding and other benefits.

18. It was a further part of the conspiracy that Co-conspirator Four would join forces with other Co-conspirators for the purpose of obtaining Mod Rehab funds and other HUD benefits for their developer/clients.

19. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would facilitate awards of Mod Rehab units in the amounts sought by her Co-conspirators.

20. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would provide internal HUD documents and information to her Co-conspirators.

21. It was a further part of the conspiracy that the Co-conspirators would provide their developer/clients with the internal HUD documents and information provided by the defendant DEBORAH GORE DEAN.

22. It was a further part of the conspiracy that the Co-conspirators would benefit and enrich themselves by charging developer/clients for obtaining HUD benefits, including Mod Rehab funds and units.

23. It was a further part of the conspiracy that the Co-conspirators would provide tangible and intangible benefits to the defendant DEBORAH GORE DEAN.

24. It was a further part of the conspiracy that Co-conspirator Four would provide services to the defendant DEBORAH GORE DEAN and her family without charge or at below market value.

25. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would falsify, conceal and cover up the manner in which HUD funding decisions were made, in order to hide the existence and ongoing nature of the conspiracy, so that its goals might be accomplished.

**OVERT ACTS OF THE CONSPIRACY
CHARGED IN COUNT TWO**

On or about the dates set forth below, among others, in the District of Columbia and elsewhere, the following overt acts,

among others, were committed or caused to be committed in furtherance of the conspiracy and to effect the goals thereof:

Necho Allen Hotel

26. On or about December 10, 1984, Co-conspirator Four entered into an agreement with Pennrose Properties, a housing developer, to obtain a waiver from HUD that would allow higher rents for a low income housing project known as the Necho Allen Hotel, in Pottsville, Pennsylvania. In return for this "exception rent" waiver, Co-conspirator Four was to be paid \$10,000.

27. On or about December 22, 1984, the defendant DEBORAH GORE DEAN met with Co-conspirator Four.

28. On or about January 17, 1985, Co-conspirator Four met with defendant DEBORAH GORE DEAN and others regarding the Necho Allen Hotel.

29. On or about January 29, 1985, Co-conspirator Four met with defendant DEBORAH GORE DEAN.

30. On or about January 31, 1985, Co-conspirator Four met with defendant DEBORAH GORE DEAN regarding The Stanley Arms, a rent-controlled apartment building owned by the family of the defendant DEBORAH GORE DEAN.

31. In and around February 1985, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated a HUD approval for "exception rents" for the Necho Allen Project.

32. On or about February 12, 1985, the owner of the Necho Allen Hotel wrote to defendant DEBORAH GORE DEAN thanking her for supporting the exception rents he had received for that project.

33. On or about March 1, 1985, ^{See SH 5326} the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated official notification that HUD Central approved the exception rents for Necho Allen, overruling earlier decisions rejecting the Necho Allen application.

34. On or about March 15, 1985, Co-conspirator Four received a payment of \$10,000 for having obtained exception rents for the Necho Allen Hotel.

35. On or about March 15, 1985, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

36. On or about March 27, 1985, the defendant DEBORAH GORE DEAN caused a letter to be written relieving the American Security Corporation as the property manager of The Stanley Arms, for the purpose of appointing Co-conspirator Four to that position.

Regent Street Project

37. On or about January 2, 1985, the defendant DEBORAH GORE DEAN signed and caused to be mailed a letter dated January 2, 1985, addressed to a developer in Cleveland, Ohio, in which she said

"The Section 8 Moderate Rehabilitation Program is administered by local and State Public Housing Agencies (PHAs). HUD provides Section 8 Moderate Rehabilitation funds to PHAs, which, in turn, advertise the availability of the funds to the general

public and competitively select the units to be rehabilitated under the program.... Federal regulations prohibit HUD from making project specific allocations. Therefore, HUD has no direct role in providing Moderate Rehabilitation funds to specific projects."

38. In or about March 12, 1985, after an unsuccessful attempt to obtain 26 HUD Mod Rehab units for Regent Street Apartments, in Philadelphia, Pennsylvania, Pennrose Properties asked Co-conspirator Four to assist in obtaining the units.

39. On or about April 1, 1985, John B. Rosenthal, of Pennrose Properties, wrote a letter to Co-Conspirator Four, asking for a meeting with "Deborah" to get the "lay of the land."

40. On or about April 9, 1985, Co-conspirator Four wrote to the defendant DEBORAH GORE DEAN, enclosing information on the Regent Street Project.

41. On or about April 22, 1985, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

42. On or about April 26, 1985, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

43. On or about May 10, 1985, the defendant DEBORAH GORE DEAN met with John B. Rosenthal of Pennrose Properties, developer of the Regent Street Project.

44. On or about May 15, 1985, the developer John B. Rosenthal wrote a letter to the defendant DEBORAH GORE DEAN, regarding strategy for getting other HUD Section 8 assistance for the Regent Street Project, in place of the 26 Mod Rehab units, "as discussed at our luncheon."

45. On or about May 22, 1985, the defendant DEBORAH GORE DEAN caused a review by another HUD official of the May 15, 1985 request of developer John B. Rosenthal. The request was rejected by the other HUD official.

46. On or about June 4, 1985, the developer John B. Rosenthal wrote a letter to the defendant DEBORAH GORE DEAN, proposing another strategy for obtaining the 26 Mod Rehab units for the Regent Street Project.

47. On or about July 12, 1985, the developer John B. Rosenthal wrote a letter to the defendant DEBORAH GORE DEAN, seeking her support for an award of the 26 Mod Rehab units for the Regent Street Project.

48. On or about July 16, 1985, the defendant DEBORAH GORE DEAN wrote a letter to developer John B. Rosenthal about his efforts to obtain Mod Rehab units for the Regent Street Project, suggesting she would "be more than happy to discuss your Regent Street Project near October 1 (beginning of Fiscal Year 1986)."

49. On or about July 18, 1985, the developer John B. Rosenthal wrote a letter to the defendant DEBORAH GORE DEAN, thanking her for "confirming your willingness to consider" the Regent Street Project "toward the end of September of this year."

50. On or about August 29, 1985, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

51. On or about September 12, 1985, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of 12 Mod Rehab units to the Philadelphia PHA, with a yearly

contract authority of approximately \$49,000, and an overall budget authority of approximately \$738,000.

52. On or about September 20, 1985, Co-conspirator Four received \$1,000 as partial payment of his total fee for his services in obtaining Mod Rehab units for Regent Street Apartments.

53. On or about September 20, 1985, the developer John B. Rosenthal wrote a letter to the defendant DEBORAH GORE DEAN, thanking her for the Mod Rehab units for the Regent Street Project and stating that he hoped "I can count upon you to provide the balance of the 13 units required "

54. On or about November 15, 1985, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated an award of 13 Mod Rehab units to the Philadelphia PHA, with a yearly contract authority of approximately \$75,000, and an overall budget authority of approximately \$1,128,000.

55. On or about December 10, 1985, Co-conspirator Four wrote a letter to John B. Rosenthal, offering to reduce his fee for services in connection with acquisition of 26 Mod Rehab units for the Regent Street Project to \$500 a unit (for a total of \$13,000) in order to further their future relationship, claiming that "If you shop the consulting market, you will, without question, find that the going market rate consulting fee for Mod Rehab is between \$1,000 and \$2,000 per unit."

56. On or about January 12, 1989, Co-conspirator Four received \$10,000 as final payment for his services in obtaining Mod Rehab units for Regent Street Apartments.

57. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators, HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the Regent Street Project, in the approximate amount of \$11,000.

Alameda Towers Apartments Project

58. In or about May 1985, Co-conspirator Four had a conversation with the defendant DEBORAH GORE DEAN about obtaining allocations of HUD Mod Rehab units, if he would associate himself with another Co-conspirator, known to the Grand Jury.

59. In and around late Spring 1985, Co-conspirator Four had a conversation with the other Co-conspirator and they entered into a partnership for the purpose of obtaining HUD Mod Rehab units.

60. On or about June 7, 1985, the other Co-conspirator wrote to the defendant DEBORAH GORE DEAN regarding his partnership with Co-conspirator Four and his contacts regarding developers in Puerto Rico seeking Mod Rehab units.

61. On or about June 24, 1985, the defendant DEBORAH GORE DEAN had a conversation with the other Co-conspirator about a commitment of 150 Mod Rehab units to him and Co-conspirator Four for their use in Puerto Rico, and about the possibility of their obtaining control over an additional 150 units.

62. On or about October 22, 1985, Co-conspirator Four and his other Co-conspirator partner agreed with Mora Development Corp., the general partner of Alameda Associates, that Co-conspirator Four and his Co-conspirator partner were each to be paid \$100,000 for obtaining 300 Mod Rehab units for the Alameda Towers Project in San Juan, Puerto Rico.

63. On or about November 27, 1985, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of 260 Mod Rehab units to the Municipality of San Juan PHA, with a contract authority of approximately \$1,500,000, and an overall budget authority of approximately \$23,600,000.

64. In or about September 1986, Co-conspirator Four and his Co-conspirator partner demanded payment from Alameda Associates for having obtained Mod Rehab units for use in San Juan, Puerto Rico.

65. On or about December 4, 1987, Co-conspirator Four received a partial payment of \$25,000 in connection with the Alameda Towers Project, as did his Co-conspirator partner.

66. On or about March 21, 1990, Co-conspirator Four received \$25,000 as another partial payment in connection with the Alameda Towers Project, as did his Co-conspirator partner.

67. On or about December 3, 1990, Co-conspirator Four received \$25,000 as final payment in connection with the Alameda Towers Project, as did his Co-conspirator partner.

68. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators,

HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the Alameda Towers Project in the approximate amount of \$99,000.

Foxglenn Apartments Project

69. On or about March 4, 1986, Co-conspirator Four met with Co-conspirator Three.

70. On or about March 12, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

71. On or about March 21, 1986, Co-conspirator Four had a conversation with an employee of his developer/client Altman Properties ("Altman"), about Mod Rehab units for a project known as Foxglenn, in Prince George's County, Maryland.

72. On or about March 21, 1986, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

73. On or about April 7, 1986, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

74. On or about April 11, 1986, Co-conspirator Four received a letter from Altman Realty, regarding the need for an award of 172 Mod Rehab units for Foxglenn by May 23, 1986.

75. On or about May 9, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

76. In and around May 1986, Co-conspirator Three signed an agreement with Altman to seek 172 Mod Rehab units for use at the Foxglenn Apartments in return for a consulting fee of \$220,000, which he and Co-conspirator Four had agreed to split.

77. On or about May 22, 1986, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated an award of 172 Mod Rehab units to the Prince George's County PHA, with a yearly contract authority of approximately \$1,114,000, and an overall budget authority of approximately \$16,718,000.

78. On or about July 10, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

79. On or about July 18, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

80. On or about July 23, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

81. On or about July 25, 1986, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

82. On or about August 5, 1986, Co-conspirator Three received a check dated August 5, 1986, in the amount of \$107,000 as partial payment of consulting fees from Altman for obtaining the Foxglenn Mod Rehab units. Co-conspirators Four and Three split the payment.

83. On or about August 5, 1986, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

84. On or about August 17, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

85. On or about October 23, 1986, the defendant DEBORAH GORE DEAN asked Co-conspirator Four to make a contribution to the campaign of a candidate running for a seat in the United States Senate from the State of Maryland.

86. On or about October 23, 1986, in response to the request of the defendant DEBORAH GORE DEAN, Co-conspirator Four wrote and forwarded to the Maryland candidate a check in the amount of \$3,000.

87. On or about November 7, 1986, Co-Conspirator Three met with the defendant DEBORAH GORE DEAN.

88. On or about November 14, 1986, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

89. On or about December 5, 1986, Co-conspirator Four received a check dated December 5, 1986, in the amount of \$110,000, as the final installment on the consulting fee paid to Co-conspirators Four and Three for obtaining the Mod Rehab units for the benefit of the developers of Foxglenn. Co-conspirators Four and Three split the payment.

90. On or about December 23, 1986, Co-conspirator Four paid \$300 for a "business gift" to the defendant DEBORAH GORE DEAN.

91. On or about December 24, 1986, Co-conspirator Three met with the defendant DEBORAH GORE DEAN. *Shelly*

92. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators, HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the Foxglenn Project, in the approximate amount of \$101,000.

Eastern Avenue Project

93. In and around the beginning of 1987, Co-conspirators Four and Three agreed to seek additional Mod Rehab units for

their developer/client Altman Properties Ltd., and to share equally all fees.

94. On or about January 30, 1987, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

95. On or about February 10, 1987, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

96. On or about March 23, 1987, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

97. On or about April 20, 1987, Co-conspirator Four met with Co-conspirator Three about Eastern Avenue, a housing project in Prince George's County, Maryland for which their developer/client Altman sought 88 Mod Rehab units; they signed an agreement setting forth their earlier understanding with respect to Altman.

98. On or about April 27, 1987, Co-conspirator Four formalized an agreement with Altman, whereby Co-conspirator Four's consulting company would receive a total fee of \$115,000 for Eastern Avenue. The agreement provided that \$57,500 would be paid upon notification to the PHA of Prince George's County of HUD's approval of 88 Mod Rehab units; and the remaining \$57,500 would be payable upon closing of financing for purchase and construction rehabilitation.

99. On or about May 7, 1987, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated a HUD Mod Rehab award of 88 units to the Prince George's County PHA, with a

yearly contract authority of approximately \$671,000, and an overall budget authority of approximately \$10,000,000.

100. On or about May 16, 1987, Co-conspirator Four met with the defendant DEBORAH GORE DEAN.

101. On or about June 15, 1987, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

102. On or about July 7, 1987, Co-conspirator Three met with the defendant DEBORAH GORE DEAN.

103. On or about September 21, 1987, Co-conspirator Three received a check in the amount of \$57,500, from Altman Properties, Ltd., in connection with the notification to the Prince George's County PHA of the award of 88 Mod Rehab units.

104. On or about September 29, 1987, Co-conspirator Four received from Co-conspirator Three a check dated September 29, 1987, in the amount of \$23,750, which represented Co-conspirator Four's share of the Eastern Avenue consulting fee.

105. On or about September 29, 1987, Co-conspirator Four "entertained" the defendant DEBORAH GORE DEAN, incurring an expense of \$72.00.

The Nomination of the
Defendant DEBORAH GORE DEAN

106. On or about November 4, 1986, Co-conspirator Three added his name to a telegram sent to the Director of White House Personnel supporting the nomination of the defendant DEBORAH GORE DEAN to serve as Assistant Secretary of HUD for Community Planning and Development.

107. In or about June 1987, the defendant DEBORAH GORE DEAN submitted a "Statement for Completion by Presidential Nominees" to the Senate Banking Committee in connection with her nomination to the position of Assistant Secretary of HUD for Community Planning and Development. In that Statement, the defendant DEBORAH GORE DEAN represented that to her knowledge, "no investments, obligations, liabilities or other relationships exist which might involve potential conflicts of interest" with the position to which she had been nominated.

108. In the course of the August 6, 1987 confirmation hearings about the defendant DEBORAH GORE DEAN before the Senate Banking Committee, the defendant DEBORAH GORE DEAN testified that, among other things, Mod Rehab awards were made by a panel at HUD that "goes solely on information provided by the Assistant Secretary for Housing," that she had "never given or approved or pushed or coerced anyone to help any developer," and that "[i]t's a tremendous waste of time" for developers to meet with HUD employees regarding Mod Rehab funding.
In violation of Title 18, United States Code, Section 371.

C O U N T T H R E E

(Conspiracy)

Statutory Allegations

1. Beginning in and around 1986, the exact date being unknown to the Grand Jury, and continuing thereafter up to and including the present, in the District of Columbia and elsewhere, the defendant DEBORAH GORE DEAN did unlawfully, knowingly, and

willfully combine, conspire, confederate and agree with Unindicted Co-conspirator Five, and other Unindicted Co-conspirators, known and unknown to the Grand Jury:

A. to defraud the United States and an agency of the United States by depriving HUD and the citizens of the United States of their right to the conscientious, loyal, faithful, disinterested and unbiased services, actions, and performances of official acts by the defendant DEBORAH GORE DEAN in her official capacity, free from deception, fraud and improper and undue influence; and

B. to defraud the United States and an agency of the United States by depriving HUD and the citizens of the United States of their right to have HUD's business and affairs conducted in an honest and impartial way, as the same should be, free from deception, fraud, and improper and undue influence;

C. to commit offenses against the United States, to wit:

1) the defendant DEBORAH GORE DEAN, while being a public official, and otherwise than as provided by law for the proper discharge of official duty, would directly and indirectly demand, seek, receive, accept and agree to accept a thing of value personally from Co-conspirator Five, to wit \$4,000, for and because of official acts performed and to be performed by the defendant DEBORAH GORE DEAN, in violation of Title 18, United States Code, Section 201(c)(1)(B);

ii) the defendant DEBORAH GORE DEAN, in matters within the jurisdiction of a department and agency of the United States, would knowingly and willfully falsify, conceal, and cover up material facts, by a trick, scheme and device, and would make false, fictitious and fraudulent statements and representations, in violation of Title 18, United States Code, Section 1001.

The People and Entities Involved in
the Conspiracy Charged in Count Three

2. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

3. Co-conspirator Five, a person known to the Grand Jury, was during the relevant period of time, a person who held himself out as a HUD consultant, able to get Mod Rehab units directed to particular PHAs for the benefit of specific developers.

4. During the relevant period of time, Co-conspirator Five, while he was obtaining HUD benefits, and intending to continue to obtain HUD benefits from the defendant DEBORAH GORE DEAN, was asked for \$4,000 by the defendant DEBORAH GORE DEAN. As a result of this request, Co-conspirator Five gave a check to the defendant DEBORAH GORE DEAN in the amount of \$4,000.

5. During the relevant period of time, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of HUD Mod Rehab funds for the benefit of developer/clients of Co-conspirator Five. These awards authorized expenditures by HUD in excess of \$2,000,000 in yearly contract payments and in excess of a total of \$39,000,000 in Mod Rehab payments over the

15-year period of the contracts. For one of these projects alone, Co-conspirator Five received at least \$209,000 in consulting fees.

Goals of the Conspiracy Charged in Count Three

6. It was a goal of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to benefit and enrich herself.

7. It was a further goal of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to benefit and enrich Co-Conspirator Five and their other Co-conspirators, and that they would in fact be benefitted and enriched.

8. It was a further goal of the conspiracy that the Co-conspirators would provide tangible and intangible benefits to the defendant DEBORAH GORE DEAN.

9. It was a further goal of the conspiracy that defendant DEBORAH GORE DEAN would falsify, conceal, and cover up the manner in which HUD funding decisions were actually made in order to hide the existence and ongoing nature of the conspiracy.

Manner and Means of Accomplishing
the Goals of the Conspiracy Charged in Count Three

10. It was a part of the conspiracy that the defendant DEBORAH GORE DEAN would use her official position to facilitate the award of Mod Rehab funds and other HUD benefits for the benefit of consultants or developers who hired Co-conspirator Five, who was a consultant.

11. It was a further part of the conspiracy that Co-conspirator Five would tell HUD consultants and developers that he could obtain HUD Mod Rehab funding and other benefits.

12. It was a further part of the conspiracy that Co-conspirator Five would be hired by developer/clients for the purpose of obtaining Mod Rehab funds and other HUD benefits.

13. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would facilitate awards of Mod Rehab units in the amounts sought by her Co-conspirators.

14. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would provide internal HUD documents and information to her Co-Conspirators.

15. It was a further part of the conspiracy that the Co-conspirators would provide their developer/clients with the internal HUD documents and information provided by the defendant DEBORAH GORE DEAN.

16. It was a further part of the conspiracy that Co-conspirator Five would benefit and enrich himself by charging developer/clients for obtaining HUD benefits, including Mod Rehab funds and units.

17. It was a further part of the conspiracy that Co-conspirator Five would provide tangible and intangible benefits to the defendant DEBORAH GORE DEAN.

18. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would seek a payment in the amount of

\$4,000 from Co-Conspirator Five, and that Co-Conspirator Five would pay her that amount.

19. It was a further part of the conspiracy that the defendant DEBORAH GORE DEAN would falsify, conceal and cover up the manner in which HUD funding decisions were actually made in order to hide the existence and ongoing nature of the conspiracy, so that its goals might be accomplished.

**OVERT ACTS OF THE CONSPIRACY
CHARGED IN COUNT THREE**

On or about the dates set forth below, among others, in the District of Columbia and elsewhere, the following overt acts, among others, were committed or caused to be committed in furtherance of the conspiracy and to effect the goals thereof:

20. On or about June 25, 1986, Co-conspirator Five met with the defendant DEBORAH GORE DEAN.

21. On or about August 20, 1986, Co-conspirator Five met with the defendant DEBORAH GORE DEAN.

22. On or about October 2, 1986, the defendant DEBORAH GORE DEAN caused a note to be written to a HUD employee regarding Plateau Insurance Company, a client of Co-conspirator Five.

23. On or about October 16, 1986, the defendant DEBORAH GORE DEAN met with Co-conspirator Five.

24. On or about October 20, 1986, the defendant DEBORAH GORE DEAN wrote a note to a HUD employee asking him to prepare a letter to Co-conspirator Five advising him how to help a client set up a "sub-company" to meet HUD requirements.

Heritage Village Project

25. In and around the Fall of 1986, Co-conspirator Five asked the defendant DEBORAH GORE DEAN about obtaining an allocation of 200 Mod Rehab units for his use.

26. In and around the Fall of 1986, Co-conspirator Five found an Atlanta, Georgia developer who would pay him \$1,000 per Mod Rehab unit directed to the developer through the Atlanta PHA.

27. In and around the Fall of 1986, the defendant DEBORAH GORE DEAN told Co-conspirator Five that she could send the 200 units to the Atlanta PHA.

28. On or just before October 27, 1986, Co-conspirator Five's Atlanta developer/client Nick Bazan caused the Atlanta PHA to write a letter to the HUD Regional office seeking contract and budget authority for 250 Mod Rehab units for a project known as Heritage Village.

29. On or about October 29, 1986, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated an award of 200 Mod Rehab units to the Atlanta PHA, with a yearly contract authority of approximately \$1,267,000, and an overall budget authority of approximately \$19,000,000.

30. On or about November 6, 1986, the defendant DEBORAH GORE DEAN signed a letter addressed to Co-conspirator Five, regarding his client Plateau Mortgage Company.

Cutlerwood and Springwood and Other HUD Projects

31. In and around November 1986, Co-conspirator Five asked defendant DEBORAH GORE DEAN for an allocation of 200 Mod Rehab

units for Co-conspirator Five to use in Dade County, Florida, and defendant DEBORAH GORE DEAN agreed to direct 200 units for the benefit of Co-conspirator Five's developer/client.

32. On or about December 16, 1986, Co-conspirator Five confirmed a consulting agreement with Dean Witter Housing & Real Estate Finance Corporation whereby he would provide services on a number of projects, including Woodcrest, a California retirement service center that had been rejected for mortgage insurance by the HUD Regional office.

33. On or about December 30, 1986, the defendant DEBORAH GORE DEAN asked a HUD employee to look into a decision made by the HUD Regional office rejecting a Woodcrest application for mortgage insurance.

34. On or about January 15, 1987, the defendant DEBORAH GORE DEAN met with Co-conspirator Five.

35. On or about January 20, 1987, Co-conspirator Five wrote a letter to the defendant DEBORAH GORE DEAN regarding a co-insurance application under HUD's Section 223f co-insurance program for the Atlanta developer for whom he had earlier obtained the 200 Mod Rehab units.

36. On or about January 29, 1987, the defendant DEBORAH GORE DEAN had a meeting with Co-conspirator Five.

37. On or about February 11, 1987, the defendant DEBORAH GORE DEAN wrote a note to a HUD employee about the review of the application for mortgage insurance for Woodcrest after the application received another rejection at HUD Central.

38. On or just before February 13, 1987, the Metro-Dade PHA was caused to write a letter to the HUD Secretary seeking an allocation of "two 0-bedroom units, one hundred and fifty-three 1-bedroom units, and forty-eight 2-bedroom" for a total of 203 Mod Rehab units, the exact configuration of the total of two projects known as Springwood and Cutlerwood, which were under development by Claude Dorsy and Jim Mitchell, Florida developer/clients of Co-conspirator Five.

39. On or about February 18, 1987, the defendant DEBORAH GORE DEAN wrote a note to a HUD employee regarding the Woodcrest mortgage insurance application stating, "If we have a way to do it--why can't we?"

40. On or about February 19, 1987, the defendant DEBORAH GORE DEAN had a meeting with Co-conspirator Five.

41. On or about February 19, 1987, Jack K. Jaynes, the Woodcrest owner/developer, had a conversation with an agent of Co-conspirator Five in which Co-conspirator One was identified as the stepfather of the defendant DEBORAH GORE DEAN.

42. On or about February 20, 1987, Co-conspirator Five received a \$40,000 check from his Florida developer/client in connection with the 203 Mod Rehab units for the Springwood and Cutlerwood Projects.

43. On or about March 27, 1987, Jack K. Jaynes had a conversation with an agent of Co-conspirator Five in which Jaynes was told that Co-conspirator Five would "Go to Debbie--explain story."

44. On or about March 27, 1987, Co-conspirator Five received a check for \$25,000 from his Florida developer/client in connection with the Springwood/Cutlerwood Projects.

45. In and around early April 1987, in the District of Columbia, the defendant DEBORAH GORE DEAN asked Co-conspirator Five for \$4,000.

46. On or about April 1, 1987, the defendant DEBORAH GORE DEAN met with Co-conspirator Five in the District of Columbia.

47. On or about April 7, 1987, the defendant DEBORAH GORE DEAN made a list of PHAs that were to receive distribution of the limited number of Mod Rehab units available, and she included 203 units in the exact bedroom configuration as the units sought by the Florida client of Co-conspirator Five for the Springwood and Cutlerwood Projects.

48. On or about April 7, 1987, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated the award of 203 Mod Rehab units to the Metro-Dade PHA.

49. On or about April 8, 1987, the defendant DEBORAH GORE DEAN met with Co-conspirator Five.

50. In and around the end of April 1987, in the District of Columbia, Co-conspirator Five gave defendant DEBORAH GORE DEAN a check dated April 29, 1987, in the amount of \$4,000.

51. On or about April 29, 1987, the defendant DEBORAH GORE DEAN, wrote a note cautioning another HUD official to be "careful" about disclosing certain facts about the Mod Rehab funding process.

52. On or about April 30, 1987, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated an official notification of the award to the Metro-Dade PHA of 203 Mod Rehab units, with a yearly contract authority of approximately \$1,350,000, and an overall budget authority of approximately \$20,000,000.

53. On or about May 6, 1987, defendant DEBORAH GORE DEAN deposited into her personal bank account the \$4,000 check given to her by Co-conspirator Five.

54. On or about May 21, 1987, the defendant DEBORAH GORE DEAN facilitated and caused to be facilitated a decision in HUD Central reversing the HUD Regional office and allowing a mortgage insurance application for Woodcrest, a project of Co-conspirator Five's client, to go forward.

55. On or about May 28, 1987, Co-conspirator Five entered into a retainer fee agreement for \$10,000 a month with his Florida developer/client doing business as First Florida Equities, Inc. ("FFE"), for the future, including services for "any and all HUD programs of interest to FFE" and the obtaining of "HUD approval for FFE in any of the HUD programs FFE is interested in, such as (but not limited to) the HODAG program."

56. On or about June 15, 1987, the defendant DEBORAH GORE DEAN met with Co-conspirator Five.

57. On or about June 26, 1987, Co-conspirator Five received a check dated June 26, 1987, in the amount of \$10,000 from his Florida developer/client in connection with the 203 Mod Rehab

units directed to the Metro-Dade PHA for the Springwood and Cutlerwood Projects.

58. On or about July 21, 1987, the Metro-Dade PHA sent a letter to Jim Mitchell regarding the Cutlerwood and Springwood allocation of 203 Mod Rehab units, notifying the developer of preliminary approval of the developer's receipt of the 203 Mod Rehab units caused by the defendant DEBORAH GORE DEAN to be directed to the Metro-Dade PHA.

59. On or about July 21, 1987, Co-conspirator Five received from his Florida developer/client FFE, a check dated July 22, 1987 in the amount of \$128,000, representing final payment of his \$203,000 fee for obtaining the 203 Mod Rehab units for the Cutlerwood and Springwood Projects.

60. On or about September 2, 1987, the defendant DEBORAH GORE DEAN met with Co-conspirator Five.

61. On or about September 16, 1987, the Atlanta PHA sent a letter to Nick Bazan, the Atlanta developer/client of Co-conspirator Five, notifying the developer of preliminary approval of the developer's receipt of the 200 Mod Rehab units caused by the defendant DEBORAH GORE DEAN to be directed to the Atlanta PHA.

62. On or about June 1, 1992, as a result of the foregoing acts of the defendant DEBORAH GORE DEAN and her Co-conspirators, HUD was caused to deliver the most recent of the monthly Mod Rehab payments of federal monies in connection with the

Springwood and Cutlerwood Projects, in the approximate amount of \$410,000.

The Nomination of the
Defendant DEBORAH GORE DEAN

63. On or about November 4, 1986, Co-conspirator Five added his name to a telegram sent to the Director of White House Personnel supporting the defendant DEBORAH GORE DEAN for the position of Assistant Secretary of HUD.

64. In or about June 1987, the defendant DEBORAH GORE DEAN submitted a "Statement for Completion by Presidential Nominees" to the Senate Banking Committee in connection with her nomination to the position of Assistant Secretary of HUD for Community Planning and Development. In that Statement, the defendant DEBORAH GORE DEAN represented that to her knowledge, "no investments, obligations, liabilities or other relationships exist which might involve potential conflicts of interest" with the position to which she had been nominated.

65. In the course of the August 6, 1987 confirmation hearings about the defendant DEBORAH GORE DEAN before the Senate Banking Committee, the defendant DEBORAH GORE DEAN testified that, among other things, Mod Rehab awards were made by a panel at HUD that "goes solely on information provided by the Assistant Secretary for Housing," that she had "never given or approved or pushed or coerced anyone to help any developer," and that "[i]t's a tremendous waste of time" for developers to meet with HUD employees regarding Mod Rehab funding.

In violation of Title 18, United States Code, Section 371.

C O U N T F O U R

Illegal Gratuities

1. Paragraphs 1 through 17 of the Introduction to this Indictment, and paragraphs 3 through 5 and 20 through 65 of Count Three of this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about April 29, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, while a public official, and otherwise than as provided by law for the proper discharge of official duty, did knowingly and willfully, and directly and indirectly, demand, seek, receive, accept, and agree to receive and accept a thing of value personally, to wit, a check in the amount of \$4,000 from a private individual known to the Grand Jury, for and because of official acts performed and to be performed by the defendant DEBORAH GORE DEAN, including official acts in connection with said private individual's requests relating to allocations of funds under HUD's Mod Rehab Program.

In violation of Title 18, United States Code, Section 201(c)(1)(B).

C O U N T F I V E

False Statements

1. Paragraphs 1 through 17 of the Introduction to this Indictment, and paragraphs 3 through 5 and 20 through 65 of Count Three of this Indictment, are realleged and incorporated as though fully set forth in this Count.

2. In or about June 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, in a matter within the jurisdiction of a department of the United States, to wit the Senate Banking Committee, knowingly and willfully made and caused to be made a materially false, fictitious and fraudulent statement and representation, and made and used, and caused to be made and used, a false writing and document knowing the same to contain a materially false, fictitious and fraudulent statement and entry, in that the defendant DEBORAH GORE DEAN made and caused to be made, and used and caused to be used, a "Statement for Completion by Presidential Nominees" in connection with her nomination to be Assistant Secretary of HUD for Community Planning and Development, which Statement was made part of the record of her hearings before the Senate Banking Committee, and in which Statement the defendant DEBORAH GORE DEAN knowingly and willfully made and caused to be made the following false, fictitious and fraudulent statement regarding a material fact:

"[t]o my knowledge, no investments, obligations, liabilities or other relationships exist which might involve potential conflicts of interest" with the position to which she had been nominated;

when in truth and in fact the defendant DEBORAH GORE DEAN knew that such a potential conflict of interest existed by virtue of her having received and accepted in and around April 1987, and not having repaid, a check in the amount of \$4,000 from Co-conspirator Five, a private individual known to the Grand Jury, who did business before HUD.

In violation of Title 18, United States Code, Sections 1001, 2.

C O U N T S I X

Perjury

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, having taken an oath that she would testify truly before a competent tribunal, to wit, the Senate Banking Committee, in a case in which the law of the United States authorizes an oath to be administered, willfully and contrary to such oath stated a material matter that she did not believe to be true, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain defendant DEBORAH GORE DEAN's truthful testimony, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, and (iii) to determine what role defendant DEBORAH GORE DEAN played in the administration of that Program.

5. In the course of the testimony by the defendant DEBORAH GORE DEAN, the Chairman of the Senate Banking Committee, Senator William Proxmire, stated as follows:

"We received a number of complaints that, in 1987, this year, there has been no notification of funds availability to regional offices. This is troublesome because this notification is important to promote applications so that all worthy candidates have a chance to apply and that HUD has the chance and the time to rank the applicants.

"Instead, it is suggested that informal solicitations and unawarded applications from the past are guarded by you, and that you personally go through the selections, excluding review by the appropriate staff experts."

Chairman Proxmire asked the defendant DEBORAH GORE DEAN how she responded to the foregoing.

6. In response to Chairman Proxmire's inquiry set out in the preceding paragraph, the defendant DEBORAH GORE DEAN willfully and contrary to the oath she had taken to testify truthfully, testified under oath as follows, believing and knowing the underscored material statement not to be true:

"Well, to my knowledge, we do not put out a notice of funding availability on the mod rehab program. I have never seen us do one since I've been at HUD.

"The program, instead, works that the field offices receive applications from public housing authorities. They are rated and ranked, sent to the regional administrator, who forward them to the Assistant Secretary for Housing, Federal Housing Commissioner.

"The Assistant Secretary for Housing puts together the applications and, with the Deputy Assistant Secretary for Multifamily Housing, comes to some conclusion as to where they believe these funds could best be used.

"Once again, they bring it to a panel of people, which is the Under Secretary, the executive assistant to the Secretary and the Federal Housing Commissioner. That panel goes solely on information provided by the Assistant Secretary for Housing. He gives us the information and the three of us make recommendations to the Secretary, who is the person who approves those units."

In violation of Title 18, United States Code, Section 1621.

51X

C O U N T S E V E N

Scheme to Falsify, Conceal and Cover up

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, in a matter within the jurisdiction of a department of the United States, to wit, the Senate Banking Committee, knowingly and willfully falsified, concealed and covered up by a trick, scheme and device material facts she had a duty to disclose, as hereinafter set forth.

3. On or about August 6, 1987, defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's testimony free from concealment and falsification, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, and (iii) to determine what role the defendant DEBORAH GORE DEAN played in the administration of that Program.

5. In the course of the testimony by the defendant DEBORAH GORE DEAN, the Chairman of the Senate Banking Committee, Senator William Proxmire, stated as follows:

"We received a number of complaints that, in 1987, this year, there has been no notification of funds availability to regional offices. This is troublesome because this notification is important to promote applications so that all worthy candidates have a chance to apply and that HUD has the chance and the time to rank the applicants.

"Instead, it is suggested that informal solicitations and unawarded applications from the past are guarded by you, and that you personally go through the selections, excluding review by the appropriate staff experts."

Chairman Proxmire asked the defendant DEBORAH GORE DEAN how she responded to the foregoing statement.

6. The defendant DEBORAH GORE DEAN had a duty to answer Chairman Proxmire's inquiry set out in the preceding paragraph truthfully and to disclose how HUD's Mod Rehab Program had been and was being administered, and what role she played in the administration of that Program.

7. In response to Chairman Proxmire's inquiry set out in paragraph five, the defendant DEBORAH GORE DEAN testified as follows:

"Well, to my knowledge, we do not put out a notice of funding availability on the mod rehab program. I have never seen us do one since I've been at HUD.

"The program, instead, works that the field offices receive applications from public housing authorities. They are rated and ranked, sent to the regional administrator, who forward them to the Assistant Secretary for Housing, Federal Housing Commissioner.

"The Assistant Secretary for Housing puts together the applications and, with the Deputy Assistant Secretary for Multifamily Housing, comes to some conclusion as to where they believe these funds could best be used.

"Once again, they bring it to a panel of people, which is the Under Secretary, the executive assistant to the Secretary and the Federal Housing Commissioner. That panel goes solely on information provided by the Assistant Secretary for Housing. He gives us the information and the three of us make recommendations to the Secretary, who is the person who approves those units."

8. In fact and in truth, as the defendant DEBORAH GORE DEAN then and there well knew, the statements set forth in paragraph

seven were knowingly and willfully made as, and pursuant to, a trick, scheme and device to falsify, conceal and cover up material facts, to wit, the actual manner in which Mod Rehab funding decisions were made, and her actual role with regard to those funding decisions.

In violation of Title 18, United States Code, Section 1001.

C O U N T E I G H T

Perjury

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, having taken an oath that she would testify truly before a competent tribunal, to wit, the Senate Banking Committee, in a case in which the law of the United States authorizes an oath to be administered, willfully and contrary to such oath stated a material matter that she did not believe to be true, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's truthful testimony, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, and (iii) to determine what role the

defendant DEBORAH GORE DEAN played in the administration of that Program.

5. In the course of the testimony by the defendant DEBORAH GORE DEAN, the Chairman of the Senate Banking Committee, Senator William Proxmire, stated as follows:

"Furthermore, it is suggested that developers have personally come to you asking for awards.

"Now, as you know, the proper procedure is for the HUD Washington office to deal with housing authorities and for them to deal with developers."

Chairman Proxmire asked the defendant DEBORAH GORE DEAN how she responded to the foregoing statement.

6. In response to Chairman Proxmire's inquiry set out in the preceding paragraph, the defendant DEBORAH GORE DEAN willfully and contrary to the oath she had taken to testify truthfully, testified under oath as follows, believing and knowing the underscored material statements not to be true:

"I have never given or approved or pushed or coerced anyone to help any developer. Those funds go directly to the public housing authority.

"As a matter of fact, I have regular meetings with public housing authorities where I tell them that they should be dealing directly with developers. A lot of times, public housing authorities send developers to HUD. And they meet with people all over the building.

"It's a tremendous waste of time, and I let them know that; because those funds go to the public housing authorities."

In violation of Title 18, United States Code, Section 1621.

C O U N T N I N E

Scheme to Falsify, Conceal and Cover up

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, in a matter within the jurisdiction of a department of the United States, to wit, the Senate Banking Committee, knowingly and willfully falsified, concealed and covered up by a trick, scheme and device material facts she had a duty to disclose, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's testimony free from concealment and falsification, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, and (iii) to determine what role the defendant DEBORAH GORE DEAN played in the administration of that Program.

5. In the course of the testimony by the defendant DEBORAH GORE DEAN, the Chairman of the Senate Banking Committee, Senator William Proxmire, stated as follows:

"Furthermore, it is suggested that developers have personally come to you asking for awards.

"Now, as you know, the proper procedure is for the HUD Washington office to deal with housing authorities and for them to deal with developers."

Chairman Proxmire asked the defendant DEBORAH GORE DEAN how she responded to the foregoing statement.

6. The defendant DEBORAH GORE DEAN had a duty to answer Chairman Proxmire's inquiry set out in the preceding paragraph truthfully and to disclose how HUD's Mod Rehab Program had been and was being administered, and what role she played in the administration of that Program.

7. In response to Chairman Proxmire's inquiry set out in paragraph five, the defendant DEBORAH GORE DEAN testified as follows:

"I have never given or approved or pushed or coerced anyone to help any developer. Those funds go directly to the public housing authority.

"As a matter of fact, I have regular meetings with public housing authorities where I tell them that they should be dealing directly with developers. A lot of times, public housing authorities send developers to HUD. And they meet with people all over the building.

"It's a tremendous waste of time, and I let them know that; because those funds go to the public housing authorities."

8. In fact and in truth, as the defendant DEBORAH GORE DEAN then and there well knew, the statements set forth in the preceding paragraph were knowingly and willfully made as, and pursuant to, a trick, scheme and device to falsify, conceal and cover up material facts, to wit, the actual manner in which Mod Rehab funding decisions were made, and her actual role with regard to those funding decisions.

In violation of Title 18, United States Code, Section 1001.

C O U N T T E N

Perjury

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, having taken an oath that she would testify truly before a competent tribunal, to wit, the Senate Banking Committee, in a case in which the law of the United States authorizes an oath to be administered, willfully and contrary to such oath stated a material matter that she did not believe to be true, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's truthful testimony, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, (iii) to determine what role the defendant DEBORAH GORE DEAN played in the administration of that Program, and (iv) to determine the facts surrounding a HUD-funded project known as Baltimore Uplift One.

5. At the time and place set forth in paragraph two of this Count, the defendant DEBORAH GORE DEAN, willfully and contrary to the oath she had taken to testify truthfully, was asked the

following questions and gave the following answers, believing and knowing the underscored material statements not to be true:

THE CHAIRMAN: "Now, Ms. Dean, can you tell us about your involvement in the deployment of Section 8? That's the moderate rehabilitation funds for a project known as Baltimore Uplift One?"

"According to the Washington Post in a story dated October 1984, there was an abuse of some \$17 million; according to HUD staffers in Baltimore, these funds came from the Secretary's discretionary fund.

"And since you worked closely to the Secretary at the time, what can you tell us about that problem?"

MS. DEAN: "Senator, could you give me the date again?"

THE CHAIRMAN: "Yes. The date is October 1984."

MS. DEAN: "I was executive assistant to the Secretary at that time. I've never heard of Baltimore Uplift One. It was a moderate rehabilitation project?"

THE CHAIRMAN. "What's that?"

MS. DEAN. "You said it was in the mod rehab program?"

THE CHAIRMAN. "Mod, section 8, moderate rehabilitation. That's right."

MS. DEAN: "There are two explanations why I would not know it. I might not know the name or those funding decisions were made prior to my appointment in June, and the funds were not released from the Department until October.

"But I've never heard of Baltimore Uplift One."

In violation of Title 18, United States Code, Section 1621.

C O U N T E L E V E N

Scheme to Falsify, Conceal and Cover up

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, in a matter within the jurisdiction of a department of the United States, to wit, the Senate Banking Committee, knowingly and willfully falsified, concealed and covered up by a trick, scheme and device material facts she had a duty to disclose, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's testimony free from concealment and falsification, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, (iii) to determine what role the defendant DEBORAH GORE DEAN played in the administration of that Program, and (iv) to determine the facts surrounding a HUD-funded project known as Baltimore Uplift One.

5. In the course of her testimony at the time and place set forth in paragraph two of this Count, the defendant DEBORAH GORE DEAN was asked the following questions and gave the following answers:

THE CHAIRMAN: "Now, Ms. Dean, can you tell us about your involvement in the deployment of Section 8? That's the moderate rehabilitation funds for a project known as Baltimore Uplift One?"

"According to the Washington Post in a story dated October 1984, there was an abuse of some \$17 million; according to HUD staffers in Baltimore, these funds came from the Secretary's discretionary fund.

"And since you worked closely to the Secretary at the time, what can you tell us about that problem?"

MS. DEAN: "Senator, could you give me the date again?"

THE CHAIRMAN: "Yes. The date is October 1984."

MS. DEAN: "I was executive assistant to the Secretary at that time. I've never heard of Baltimore Uplift One. It was a moderate rehabilitation project?"

THE CHAIRMAN. "What's that?"

MS. DEAN. "You said it was in the mod rehab program?"

THE CHAIRMAN. "Mod, section 8, moderate rehabilitation. That's right."

MS. DEAN: "There are two explanations why I would not know it. I might not know the name or those funding decisions were made prior to my appointment in June, and the funds were not released from the Department until October.

"But I've never heard of Baltimore Uplift One."

6. The defendant **DEBORAH GORE DEAN** had a duty to answer Chairman Proxmire's questions set out in paragraph five truthfully and to disclose her knowledge of the HUD project known as Baltimore Uplift One and the facts surrounding that project.

7. In fact and in truth, as the defendant **DEBORAH GORE DEAN** then and there well knew, her statements set forth in paragraph five were knowingly and willfully made as, and pursuant to, a

trick, scheme and device to falsify, conceal and cover up material facts, to wit, her knowledge of the HUD project known as Baltimore Uplift One and the facts surrounding that project. In violation of Title 18, United States Code, Section 1001.

C O U N T T W E L V E

Perjury

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, having taken an oath that she would testify truly before a competent tribunal, to wit, the Senate Banking Committee, in a case in which the law of the United States authorizes an oath to be administered, willfully and contrary to such oath stated a material matter that she did not believe to be true, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's truthful testimony, (ii) to determine how HUD's Mod Rehab program had been and was being administered, and (iii) to determine what role

defendant DEBORAH GORE DEAN played in the administration of that Program.

5. At the time and place set forth in paragraph two of this Count, the defendant DEBORAH GORE DEAN, willfully and contrary to the oath she had taken to testify truthfully, made the following statement, believing and knowing it not to be true:

"As a matter of fact, no moderate rehabilitation units that I know of, unless they were sent directly by the Secretary, have ever gone to my home State of Maryland, simply for that reason -- that I sat on the panel."

In violation of Title 18, United States Code, Section 1621.

C O U N T T H I R T E E N

Scheme to Falsify, Conceal and Cover up

1. Paragraphs 1 through 17 of the Introduction to this Indictment are realleged and incorporated as though fully set forth in this Count.

2. On or about August 6, 1987, in the District of Columbia and within the jurisdiction of this Court, the defendant DEBORAH GORE DEAN, in a matter within the jurisdiction of a department of the United States, to wit, the Senate Banking Committee, knowingly and willfully falsified, concealed and covered up by a trick, scheme and device material facts she had a duty to disclose, as hereinafter set forth.

3. On or about August 6, 1987, the defendant DEBORAH GORE DEAN testified under oath before the Senate Banking Committee.

4. It was material to the Senate Banking Committee's inquiry (i) to obtain the defendant DEBORAH GORE DEAN's testimony free from concealment and falsification, (ii) to determine how HUD's Mod Rehab Program had been and was being administered, and (iii) to determine what role defendant DEBORAH GORE DEAN played in the administration of that Program.

5. In the course of her testimony at the time and place set forth in paragraph two of this Count, defendant DEBORAH GORE DEAN made the following statement:


"As a matter of fact, no moderate rehabilitation units that I know of, unless they were sent directly by the Secretary, have ever gone to my home State of Maryland, simply for that reason -- that I sat on the panel."

6. The defendant DEBORAH GORE DEAN had a duty to testify truthfully.

7. In fact and in truth, as the defendant DEBORAH GORE DEAN then and there well knew, her statements set forth in paragraph five were knowingly and willfully made as, and pursuant to, a trick, scheme and device to falsify, conceal and cover up material facts, to wit her knowledge of the award of Moderate Rehabilitation units to projects in the State of Maryland. In violation of Title 18, United States Code, Section 1001.

A TRUE BILL

Foreperson



Arlin M. Adams
Independent Counsel