

WINN GROUP (rev. 5/21/90)
(re: Mod Rehab Funding Richland, WA, Casper, WY,
Victoria, TX, Aurora, CO., Clark Co., NV, etc.)

INTRODUCTION

Winn Group, Englewood, Colorado: Philip Winn, Philip Abrams (sometimes doing business as Philips Development Corp. or Philip D. Winn and Associates), J. Michael Queenan (sometimes doing business as J. Michael Queenan & Associates), Silvio DeBartolomeis, Robert Silvestri, and Ronnie Mahon. See HUD Mod Rehab Inspector General's Report (IGR) at 318-20, 401. Lance Wilson of Paine Webber is apparently also a part of the group on at least five projects. Raymond T. Baker of Gold Crown Corporation is affiliated with members of the group on certain projects.

In written testimony before Lantos subcommittee, and orally before Lantos subcommittee and Banking Committee, Thomas T. Demery, HUD, Assistant Secretary for Housing--Federal Housing Commissioner, states that he did not know who developers and consultants were when he acted on PHA requests for mod rehab units. When Demery was interviewed by HUD IG Investigator on 5/2/88, investigator would state: "Demery advised that to the best of his knowledge, Philip Winn operates a company based in Colorado and that Winn was involved with some industrial property located near Dulles international Airport, Va. Further, that Winn may have one HoDag. Demery said that he did not know the Winn Group to be involved in Mod Rehab." IGR at 424. A Denver Post article (undated) by Robert Kowalski and Gary Schmitz ("HUD-developer relations focus on probe"), which reports of Demery's stay at Winn condominium over Christmas 1987 (see 12/87-1/88 entry), notes that Demery stated that "I can honestly say that [at the time he stayed at the Winn condol I did not know [Winn] was involved in mod rehab." Demery also states that he never discussed the mod rehab program with Winn or Abrams and only recently learned that they were involved in the mod rehab program..

According to document from Demery wordprocessing diskettes made available under FOIA, which shows funding decisions of 11/3/87 (TD3/7/1)1/, Item No. 18 of 21 "Additional Requests" shows 150 units for Wyoming PHA; Item No. 19 shows 158 units for Richland, Washington; and Item No. 20 shows 150 units for Victoria, Texas. According to backup list (Exhibit 3), which matches the 21 additional requests with names of individuals, Item No. 18 is matched with the name "Wilson"; Items Nos. 19 and 20 are matched with the name "Winn."

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

On 11/23/87, Casper, Wyoming would be selected to receive 145 mod rehab units and Richland, Washington would be selected to receive 158 units. In 5/88 Demery would personally override HUD Denver regional office's decision not to send the 145 units to Casper. In 6/88, Victoria, Texas would be selected to receive 158 mod rehab units.

Among the 20 persons whose phone numbers are found on Demery's short, wallet-sized list (TD4/7/11), are Winn Group members Silvio Debartolomeis and J. Michael Queenan. Home and office numbers are listed for both. On 4/28/88, Queenan contributed \$35,000 to F.O.O.D. for Africa, the charity co-founded by Demery. Shortly thereafter, Demery would override the regional economist's recommendation not to fund Casper.2/

CHRONOLOGY

7/7/86 More than three months before Demery is confirmed as Assistant Secretary at HUD, Paine Webber contributes \$4854 Exhibit 9 to IGR at 4. Demery is principal fundraiser for F.O.O.D. at this time. In addition to organizing the 3/12/87 fundraiser in New York at which \$65,000 would be raised, Wilson would be responsible for contributions of over \$18,000, including \$14,854 from Paine Webber (including a \$5,000 check bearing the same date as Wilson's 4/21/87 dinner with Demery) and \$3,250 on his own behalf.

10/21/86 Demery is confirmed as Assistant Secretary for Housing-FHA Commissioner and resigns from his position with F.O.O.D., although official resignation apparently is not until 1/1/87. See IGR at li.

11/7/86 Demery addresses mortgage bankers in New York at Wilson's request. TD5/5/7.

11/10/86 Wilson calls.3/

2/ Among other persons whose numbers are on the wallet-sized list are Joseph Strauss, a \$15,000 contributor to F.O.O.D., who made over \$4 million on HUD programs and Alan S. Bird of Real Property Services, Ince., a \$29,500 contributor to F.O.O.D, on whose Generva Apartment project Demery would override the HUD Boston office's foreclosure recommendation, as well as four individuals whose names, like Wilson's and Winn's, would be matched with mod rehab requests on the 11/3/87 list referred to in the text above.

3/ Telephone calls recorded herein are based on Demery's telephone logs, which merely show instances where call was not taken and a message was left. Telephone logs are unavaliabile after 7/20/88. Calendars are not available after that date except for typed calendars for 10/88 through 12/88 from wordprocessing diskettes. For better indicator of the frequency of calls, see 8/87-2/88 entry.

11/14/86 Wilson calls.

11/25/86 Gerry Salzman: "He has letter for Lance Wilson in draft form--they would like to run it by you."

12/1/86 Demery returns Wilson's call. Demery writes "letter and telecopy."

12/4/86 Aaron Gleich, New York developer whose name would also be matched with a mod rehab request on Demery's 11/3/87 list, calls from San Francisco (213/617-1133): "Said you will be receiving a call today from Mr. Tuite [of LA Redevelopment Agency]...PLEASE SPEAK WITH EITHER AARON GLEICH OR LANCE WILSON BEFORE YOU TALK W/TUITE."

12/12/86 DeBartolomeis leaves position as Demery's deputy to join Winn Group. In early 1980's DeBartolomeis had worked for Winn in Colorado, who brought him to Washington to work for him there; then DeBartolomeis worked for Abrams; then he was Acting Assistant Secretary for Housing from April 21, 1986 until Demery's appointment. After Demery's appointment, DeBartolomeis stayed on as Demery's General Deputy Assistant Secretary for about six weeks.

12/17/86 Phil Abrams calls, leaving work and home numbers: "Pls call--re: a dispute over a PD sale in the Chicago Office--BURNHAM. Marv Hilman said he needs you to hold up the re-advertising to re-bid." Notation indicates Demery returns call.

2/3/87 Wilson calls.

2/4/87 Demery dines with Phil Abrams. 3/4/87 Wilson calls. Demery returns call.

-2-27-87 *Wilson entertains FO + wife*
3/12/87 F.O.O.D. for Africa (FOOD) fundraiser held in New York, attended by Demery. Demery is incorporator and former officer of FOOD and attends numerous FOOD fundraisers around the country, often as honoree (IGR at 476, 493), and usually introducing Peter Pretorius, President of FOOD. Winn, Abrams, Wilson, and Queenan attend the New York Fundraiser. (Winn contributed \$5,000 by check dated 3/4/87. Exhibit 5 to IGR at 5.). Pursuant to request of Queenan or Abrams, Thomas Ford, President of Benton Mortgage, and Joe Hawkins, Executive Vice-President of Benton, attend the fundraiser. Ford and Hawkins personally contribute \$2500 each. IGR at 433, 459-67, 475, and, generally, 437-550.

The event is sponsored by Lance Wilson of Paine Webber, who prepaid \$6,000 for the event; the total cost was \$11,492. IGR at, 444, 493. (Wilson apparently was fully reimbursed for the event by FOOD. IGR at 444.) Paine Webber had contributed \$4854 in 7/86, and would contribute \$5,000 on

4/21/87 (Exhibit 9 to IGR at 4) and \$5,000 later in the year. IGR at 475. At 10/13/89 hearing Queenan would state that it had been Wilson who had encouraged the Winn group to contribute to FOOD.

3/16/87 Demery meets with Wilson and Arthur Reynolds.

3/17/87 Reynolds contribute 500.00

3/18/87 Abrams calls inquiring about action Demery took on Dave Herlinger letter.

3/19/87 Wilson calls twice.

3/19/87 Abrams calls asking if he can have meeting the following day. Demery indicates OK.

3/20/87 Demery meets with Abrams.

3/27/87 Winn calls regarding lunch.

4/9/87 Wilson calls.

4/14/87 DeBartolomeis, who apparently assisted Demery in fundraising for President's dinner calls advising that "Benton will be attending the reception."

4/20/87 Demery phone log has notation "REMINDER--CALL LANCE."

4/21/87 Demery calendar shows him dining with Lance Wilson; \$5,000 Paine Webber contribution to FOOD bears the same date.

4/21/87 DeBartolomeis calls: "Larry Green, who bought a table, needs to go to the White House reception (the same one we'll be going to)...so maybe you can make the call."

5/4/87 Wilson calls: "Wondering about the meeting for Mike Levitt re: ROOSEVELT APARTMENTS. Lance want me to get back with him as to a time this week when you can meet. (Is this the same ROOSEVELT APT.S that Jim has been taking your calls on rom other people wanting to meet w/you?" Demery notation indicates: "Yes, but different group."

5/7/87 Demery meets with Mike Levit rearding Roosevelt Apartments.

5/7/87 Wilson calls: "Talked with Ray Reisert...Standard & Poor, to our knowledge has not had any correspondence with Hunter, but they have had meetings."

5/7/87 Aurora, Colorado Housing Authority awarded 144 Mod Rehab units. HUD Form 185. This apparently is for Windsor Court, which was originally awarded to Urban, Inc., but was transferred to Abrams. Queenan was the consultant for Urban

*4/6/87 MDC
5,000
rec'd - 4/20/87*

*4/23
Colorado
Warner*

and then for Abrams. IGR at 281. According to Attachment to 11/7/88 memorandum from Demery to Pierce (Exhibit 4), project was selected at meeting of Demery, Dean, and Dorsey on 4/7/87. The reason for the selection was stated as "Soft market. low income demand."

At same 4/7/87 meeting, North Dakota is awarded 50 units. Units apparently go to a Winn Group project on which Queenan is listed as a partner with Jerry Meide. 9/18/89 IGR at 30. Demery would state reason for selection as "Rural request. Lack of prior funding."

5/19/87 Demery meets with Wilson regarding asset sales.

5/20/87 Wilson calls.

5/26/87 Demery meets with Wilson and Mike Levitt.

5/27/87 PHil Winn's office call to set up lunch for 6/2/87.

5/27/87 Abrams calls: "Called, but when he heard you were out, was going to call Jim S."

5/28/87 Levitt of Michaels Development Corp. sends letter to Demery seeking waiver on impaction guidelines on Northland Village project. On 7/7/87 request granted by Demery. IGR at 274. Michaels Development Corp. Had donated \$5,000 to F.O.O.D. on 4/6/87. Exhibit 9 to IGR at 3.

5/29/87 Abrams calls.

5/29/87 DeBartolomeis calls: "Pls call--Had not talked to you in a while--wanted to know how things were going."

6/1/87 Abrams calls.

6/2/87 Demery lunches with Winn.

6/10/87 Wilson calls: "(1) David Maxwell will contact us directly about setting up luncheon. (2) Can he (Lance) come by tomorrow to pick up a copy of the document you talked about..."

6/16/87 Wilson contributes \$1250 to FOOD apparently in connection with a fundraiser in Philadelphia, although he seems not to have attended the event. Exhibit 8 to IGR at 5; IGR at 468.

6/23/87 Wilson calls to see if he can come in at 4:30 or 5:00 that day. Demery indicates OK. Demery meets with Wilson.

6/24/87 DeBartolomeis calls.

7/1/87 Wilson returns Demery's call.

7/23/87 Demery meets with Wilson.

7/30/87 Winn calls to invite Demery to Dinner on 8/27, but Demery will be in USSR.

8/4/87 Wilson calls to see if he and Ray Reisert can meet with Demery on 8/12. Also invites Demery to reception in Washington on 9/16 and to speak to Hospital Finance Study Group on 9/17.

8/12/87 Demery meets with Wilson and Ray Riesert.

8/12/87 Demery dines with Winn at the Occidental.

8/87-2/88 According to Congressman Lantos (at 6/22/89 hearing), a 20% sample of calls from Demery's office during this six-month period found 42 calls made to the offices of the Winn Group, suggesting that a total of approximately 210 occurred during the period.

9/2-9/29/87 Queenan and Winn meet with Vieno Lindstrom of Richland (Washington) Housing Authority with plan for getting mod rehab funds for their project, Richland Manor/North Trace Apartments. They advise Lindstrom to write letter to Demery requesting 158 Mod Rehab units and give her exact language to use in letter to Demery. IGR 345, 347-49. They also instruct her to issue "dry NOFA," for Mod Rehab proposals pending funding by HUD, which Lindstrom issues on 9/15/87. Winn responds on 9/18/87; this is sole response. On 9/22/88, Winn enters into a purchase agreement for Richland Manor and North Trace. On 9/29/87, Lindstrom sends request to Demery. IGR at 345, 347-49.

9/10/87 Winn calls trying to arrange breakfast or lunch meeting when he is in town on 9/21.

9/11/87 Letter from Michael Karem to Philip Abrams regarding transmittal of tickets to be sold for 10/19/87 FOOD fundraiser in Washington D.C. See IGR at 474. Solicitation letters, sent out 10/1/87, apparently would refer to "the Food for Africa effort being undertaken by Tom Demery, FHA Commissioner." See IGR at 475.

9/21/87 Demery has breakfast with Winn.

9/25/87 Wilson calls.

9/28/87 Wilson calls: "will be sending something FED EXP.. will call tomorrow."

9/29/87 Wilson calls.

10/87 Robert Silvestri, architect for Winn & Abrams (IGR at 531), Ronnie Mahon, and J. Michael Queenan each contribute

\$1,000 to FOOD. Exhibit 9 to IGR at 4: Exhibit 8 to IGR at 3, 5. Raymond T. Baker, who owns Gold Crown Corporation, with which DeBartolomeis has a management fee relationship (IGR at 318-19), and with which Queenan apparently was attempting to work out a Mod Rehab project for Casper, Wyoming (see 1/22/88 entry, 5/24/88 entry, 5/27/88 entry) contributes \$2,000. Exhibit 7 to IGR at 2. Contributions are apparently for the 10/19/87 FOOD fundraiser in Washington, D.C., which Demery attends. Demery Phone log shows that DeBartolomeis stopped by on 10/19/87, so apparently he also attended.

Winn and Abrams both served as sponsors for the fundraiser donating \$500 each; Wilson was also a sponsor donating \$1000. IGR at 470. Wilson attended as well as soliciting a \$5000 donation from Paine Webber and \$1000 from Martin Edelman of Battle Fowler. IGR at 474-75. At that fundraiser, Queenan meets Peter Pretorius, and offers to sponsor a fundraiser in Denver, Colorado. IGR at 445.

The event apparently is deemed to be honoring Demery. IGR at 476. M. Karem, who sponsored the event along with Winn Abrams, Wilson, and several other persons (IGR at 473, 482), stated that he believed that Philip Abrams and/or Philip Winn may have solicited donations from Benton Mortgage Co. IGR at 204. Records show that Benton gave \$1000 at the Washington fundraiser, which is the first of the Benton corporate contributions to FOOD that will total \$19,000 (in addition to the \$5,000 contributed by Benton President Ford and Benton Treasurer Hawkins). Exhibit 9 to IGR at 1. See 3/12/87 entry. See Benton Mortgage Company Audit by HUD IG for relationship to Demery decisions regarding rent waivers for Mod Rehab/Coinsurance projects.

10/19/87 Phone log says DeBartolomeis will be coming by to drop something off.

10/21-23/87 According to DeBartolomeis, Demery is in Vail area for HUD housing directors meeting. TD5/5/11, IGR at 322. No evidence in IGR that Demery had contact with any Winn group member during that trip, although DeBartolomeis' statement to IG suggests that Demery at least communicated with DeBartolomeis.

10/26/87 Wilson sends letter to Michael Karem transmitting a \$1,000 check to F.O.O.D. from Battle Fowler. Letter advises that a \$5000 Paine Webber check would be forthcoming in approximately two weeks. IGR at 475.

10/29/87 According to Attachment to 11/7/88 Demery to Pierce memorandum, this is the date of a mod rehab request from the PHA in Casper, Wyoming. IG Report does not discuss whether prior to Casper's submission of its request, contacts were made with PHA similar to those made to the Richland Housing Authority.

11/2/87 BeBartolomeis calls to give name of a person he met from Farmington Hills.

11/2/87 Wilson calls.

11/3/87 Demery list matches mod rehab requests from Wyoming, Victoria, Texas and Richland, Washington with Wilson and Winn.

11/87 Queenan approaches Santa Cruz Housing Authority; he says, if they use "the right developer," Queenan can get them the mod rehab units. IGR at 421. To question "I see, if I do it with your developer, I'll get the units," Queenan reponds: "I wouldn't be so dramatic, but yes."

11/13/87 Baker contributes \$2,000 to FOOD. Exhibit 7 to IGR at 2.

11/23/87 According to Attachment to 11/8/88 Demery to Pierce memorandum, Casper selected to receive 145 mod rehab units at meeting of Demery and Pierce. Reason stated for selection is "Soft market subsidence; lack of funding." Richland, Washington selected to receive 158 units. Reason stated for selection is "Tri-cities depresssion; lack of funding."

11/24/87 Wilson calls.

11/25/87 Wilson calls Demery. The same day Wilson sends letter to M. Karem enclosing Paine Webber check for \$5000, and stating: "The reception you hosted honoring Tom Demery was very enjoyable and benefited a worthy cause." IGR at 476.

11/30/87 Wilson calls.

12/9/87 Wilson calls.

12/23/87 DeBartolomeis returns Demery's call.

12/87-1/88 Demery spends Christmas-New Years in Vail, Colorado area at condominium owned by Philip Winn and a business associate of Winn's named David Gitlize. IGR at 322. In interview with IG investigator on 4/4/88, Demery states that he rented a condominium for \$500; he mentions that he saw Winn and Abrams at that time but did not do them any favors nor did they do him any favors; he does not mention that Winn owned the condominium. IGR at 425. See 2/14/88 entry. In DeBartolomeis interview with IG investigator on 3/14/89, he states that Demery had been sent a bill shortly after he departed Vail and that, on 2/14/88, Demery took him and his fiancée to dinner, and at that time paid DeBartolomeis \$500 in cash, IGR at 322. Demery would later tell The Denver Post that "I can honestly say that [at the time he stayed at the Winn condol I did not know [Winn] was involved in mod rehab." See page 1, supra.

12/31/87 While in Vail, Demery has DRAFT notice of Fiscal 1988 Project Based Assistance for Existing Housing faxed to him care

of Winn group. IGR at 425. DeBartolomeis identifies handwritten notes on draft as possibly being handwriting of Philip Abrams. IGR at 321.

In Demery's 5/4/88 statement to the IG, Demery would deny that he had shared the document with the Winn Group. IGR at 425. Before Lantos' subcommittee on 6/22/89, Philip Abrams would acknowledge in response to questions from Congressman Lantos that the handwriting on the document was his and that Demery had shared the document with him.

[Note: Draft notice would give significant advantage to developers/consultants. Project-based assistance was a new program. Information as to where program was targeted and the rent structure, as well as the geographic criteria, would allow professional consultants to know just where to locate a project and for how many units, etc.]

12/31/87 Sharon Shore of Casper Housing Authority calls.

1/88 Apparently HUD Denver staff is recommending against funding of Casper request for 145 units. See 1/22/88 entry.

1/6/88 Wilson calls.

1/14/88 Phil Winn calls Demery, leaving message: "Pls call--needs to talk to you about something personal." Log indicates call returned.

1/20/88 Demery meets with Phil Abrams.

1/21/88 Wilson calls Demery leaving message that he will call him tomorrow if he does not talk to him tonight.

1/22/88 Memorandum sent from HUD Denver Regional Administrator Maples apparently regarding the overriding of Denver HUD staff's recommendation against funding 145 Mod Rehab units for Casper, Wyoming. The memorandum references telephone conversation between Maples and Demery's Executive Assistant Christine Oliver. After memorandum is faxed to Washington, Maples, in response to a request from Washington, instructs his subordinates to rewrite the memorandum without reference to the Oliver telephone call. Redrafted memorandum sent 2/1/88. IGR at 389, 398. See 5/24/88 and 5/27/88 entries.

1/25/88 Wilson calls advising that snow is predicted and asking if Demery is coming to New York that night. Demery notation indicates "no."

2/3/88 Wilson calls: "Working on situation you talked about on Monday [2/1/88] will call you tomorrow when he is back in his office."

2/4/88 Wilson calls.

2/4/88 Forms HUD-185, signed by Demery, send 145 Mod Rehab units to the Regional Office to be used in Casper, Wyoming.

2/4/88 Abrams returns Demery's call.

2/4/88 Richland, Washington Housing Authority awarded 158 units. IGR at 345. Prior to 2/4/88, Queenan telephonically informs Lindstrom that Mod Rehab request for 158 units has been approved, and ultimately provides her with a copy of the Form HUD-185 signed by Demery on 2/4/88. IGR at 348.

(2/88 thru 2/9/89 As a result of decision reached by Diana W. Goodwin, Director of Housing, HUD Seattle Region, Richland readvertises the 158 Mod Rehab units, over protests of Winn group whose representatives threatened to go to HUD headquarters. IGR at 345-6, 348. Silvestri encouraged Lindstrom to bypass HUD Seattle and go directly to Washington for advice. IGR at 351. Project was readvertised and a different proposal (Siegel's project) was selected on 1/17/89, although it is unclear from IGR whether an appeal was ever resolved. IGR at 351.)

2/4/88 Queenan contacts Douglas Tapking, Executive Director of Salt Lake County Housing Authority (SLCHA) regarding interest in SLCHA's seeking Mod Rehab funding. Meets with Tapking approximately six times between then and 5/5/88 (date of last HUD IG interview with Tapking). IGR at 293.

2/10-15/88 Demery is in Denver for personal reasons. Apparently attends Phil Winn's son's bar mitzvah. It is on this trip, according to DeBartolomeis that Demery pays him the \$500 in cash for the use of the Winn condo in 12/87. There is no record of where Demery stays during this trip.

2/19/88 Waiver sought by Winn Group on Terrace Apartments in Oklahoma City, OK is granted on approximately this date. Jack Womack, Executive Director of the Oklahoma City Housing Authority (OCHA), who sought the waiver on behalf of the Winn Group, would advise IG investigator that in his opinion, "based on his tenure with the OCHA that the waiver would not have been granted had the request not involved the Terrace Apartments," by which he apparently meant a Winn Group project. IGR at 247

2/23/88 Silvestri contributes \$1,000 to FOOD. Exhibit 9 to IGR at 4.

2/25/88 Wilson calls: "Needs to know where to get in touch with you re: lunch on Saturday--WHAT HOTEL WILL YOU BE AT?" Entry is marked "SPECIAL."

2/27/88 Demery apparently is in New York although this trip is not shown on his calendars. See 2/25/88 and 3/11/88 entries.

2/88 At some time during this month Demery is in New York, although the trip is not shown on his calendars.

3/1-7/88 During first week of March, Queenan and one of his partners and another person (named Larry) meet with Tapking. At that meeting Queenan states he had "tapped into the Mod Rehab program and could work out a deal for SLCHA using contacts he had in Washington, D.C." IGR at 293

3/12/88 Demery writes to Wilson thanking him for the "the courtesies and consideration extended to me in New York last month. Your usual thoughtfulness and attentiveness made the entire experience pleasant and memorable for everyone."
TD4/4/10. Wilson's expense vouchers for Paine Webber may explain this event. *Yes they do*

3/15/88 Clark County, Nevada is a place where the Winn Group had previously done a 160 unit mod rehab project with the Winn Group having been the sole bidder for the units in a dry NOFA. IGR at 325. On this date, William Cotrell, Executive Director of the Clark County Housing Authority, tells a HUD IG investigator that recently Queenan had expressed an interest in doing more mod rehab work in the CCHA area. Cotrell was at that time seeking units from HUD and had issued a dry NOFA IGR at 326.)

3/18/88 Demery invited by Denver Regional Administrator Maples to attend ground breaking in Fort Collins 4/28/88. Idea to invite Demery is that of Denver HUD Executive Assistant Isaiah Kelly. Kelly, who apparently is friend of Queenan, will be invited to the fundraiser by Queenan. IGR at 528.

3/22/88 Queenan calls Tapking of SLCHA and asks for information regarding Mod Rehab needs. Also requests SCLHA staffing information, including every employee's name, position and tenure. IGR at 293.

3/25/88 Demery signs memorandum while DeBartolomeis and his fiancée are visiting his office; memorandum asks regional offices to make prioritized list of PHA's for Mod Rehab funding. Demery gives copy of list to DeBartolomeis. IGR at 294, 321, 424. Demery would tell Lantos' subcommittee the changes effected by this memorandum were "dramatic and significant." At 10/13/89 hearing, Queenan calls changes "tremendous and sweeping."

3/30/88 Tapking receives 3/25/88 HUD memorandum referenced above, which had been mailed to him by Queenan. Denver HUD Housing Development Director Barbara McCravey, in interview on 5/5/88, tells HUD IG investigator that she was aware that persons outside HUD had received the memorandum before HUD personnel received it. IGR at 393. (In 3/9/89 interview with IG, DeBartolomeis would acknowledge that he had shared memorandum with Winn Group associates, but denied knowledge of Queenan's use of the document. IGR at 321.)

3/31/88 DeBartolomeis calls Demery: "Please Call Re: 'President's Dinner' They want him to do Colorado--Need a lead from you."

4/1/88 Queenan sends letter to Bob R. Scott of Zuni Corporation requesting \$1,000 contribution to FOOD fundraiser to be held 4/28/88. Scott contributes \$1,000. IGR at 337-38.

4/88 Queenan calls developer David F. Wahl, who is working with Queenan on putting together a Mod Rehab project. (They had previously worked together on an Aurora project in 1986.) Queenan asks Wahl to pay \$1000/per place for him and his wife (who is officer in his company (IGR at 281)) to attend 4/28 dinner for FOOD for Africa. Queenan tells Wahl Tom Demery will be there and this is his "favorite charity". Wahl agrees to attend, but several weeks prior to the dinner Queenan tells Wahl he no longer wishes to be involved in the project. Wahl therefore does not attend or make donation "because he would not be connected with Queenan anymore and he didn't see any benefit in making a donation." IGR at 284.

4/88 Queenan invites public housing authority officials to attend \$1000 plate FOOD fundraiser on 4/28/88 as his guests, advising them that Tom Demery will be present. Although the housing officials are not required to pay, Aurora Housing Authority will contribute \$1,000. IGR 536-41.

4/88 Queenan invites Sharon Shore of the Casper, Wyoming Housing Authority to 4/28/88 FOOD fundraiser, telling her that Winn, Abrams, and Demery will be at the event. She will not be required to pay. Shore confirms that as of the date of the dinner, she was aware that the Denver HUD staff had recommended against Casper's Mod Rehab request. IGR at 387.

4/88 Under revised selection procedures, Denver Regional Office prepares prioritized list of 16 PHSs to be sent to Washington for mod rehab consideration. There is some conflict as to when precisely Denver HUD's list of 16 authorities to be requested to send Mod Rehab proposals was prepared. The testimony of Sharon Jewell, whose staff prepared the list states in one place that personnel in Denver prepared prioritized list on 4/18. IGR at 397. Her testimony in another interview indicates that the list prepared by her staff would have to have been prepared prior to 4/15/88, since it was reviewed by her superiors prior to that date. (In any case, list was not finalized until after representation of Queenan to Tapking that SLCHA was on list. See 4/8 or 4/12 entry.) At that review (carried out by Maples, McCravey and Dirksen) Great Falls Montana was added to the list. Great Falls was one of four PHA's then funded in the Denver region. IGR at 390. Maples could recall no specific reason for selection of Great Falls for ultimate Mod Rehab funding, although he believes that Demery may have said he was interested in it. IGR at 389. Only evidence on the reason for putting Great Falls on the

prioritized list is testimony of Barbara Macravey, HUD Denver Director of Community Planning and Development, who stated that Maples had said "I have to get Great Falls on this list."

One of the developers on the project that would get the Great Falls units was Martin L. Artiano, a close friend of Demery's and one of the names on Demery's 11/3/87 listing matching PHA requests with developers and consultants. For a description of Demery's role in sending mod rehab units to Great Falls and mod rehab units and project-based certificates to other PHAs where Artiano was the beneficiary, see Artiano/Pingree-Dahle chronology.

In consequence of adding Great Falls to the list, Aurora Housing Authority is taken off the list since it had been funded the previous year. IGR at 531. But see 4/28/88 entry for manner in which Demery would permit the Aurora authority to be added again to the list.

4/4/88 DeBartolomeis calls regarding the President's Dinner.

4/5/88 Abrams contributes \$1000 to F.O.O.D. Exhibit 7 to IGR at 4.

4/6/88 Wilson calls twice.

4/8/88 Winn Contributes 1000 to F.O.O.D. Exhibit 8 to IGR at 5.

4/8/88 or 4/12/88 At some point in early April Queenan asks Tapking to call HUD to find out if SLCHA is on the prioritized list. When personnel at Denver HUD cannot help him, Tapking informs Queenan that he thinks it inappropriate to call Regional Administrator Maples directly; Queenan says it does not matter and that he knows that in fact SCLHA was on the list. Queenan asks Tapking again for information requested on 3/22/88. Not clear from IG report whether he told Tapking that SCLHA was on the list on 4/8 or 4/12. IGR at 292-94. In any case, Queenan had some knowledge of list even before it was finalized.

[After 4/12 discussion with Queenan, Tapking calls HUD IG. Tapking refused to provide the information requested by Queenan on 3/22/88. Not clear whether Queenan ever contacted Tapking after 4/12/88. See IGR at 292-94.]

4/12/88 Queenan calls Santa Cruz Housing Authority requesting that it seek to get placed on the Region's prioritized list for mod rehab funding. IGR at 422.

4/11/88 Benton Mortgage contributes \$5,000 for Denver fundraiser. Benton president Ford sees it as opportunity to see Winn and Abrams. IGR at 460.

4/12/88 Queenan calls Tapking and says units available and asks for information requested 3/22/88. IGR at 293-4.

4/18/88 Prioritized list of PHA's for mod rehab funding sent from Denver to HQ; must be approved at HQ. IGR at 397.

4/22/88 Agenda for Winn Group meeting of this date, which is discussed before Lantos subcommittee on 10/13/89. would ask about Lance Wilson's progress with Regional Administrator Grady Maples regarding Casper. In discussion of this document, it would be brought out that Wilson was receiving 50% of the project for using his influence to get the units from HUD. It was also brought out that it had been Wilson who had originally encouraged the Winn group to contribute to FOOD.

4/22/88 Wilson contributes \$2000 to F.O.O.D. Exhibit 8 to IGR at 5.

4/25/88 Denver Regional Administrator Maples calls Demery.

4/25/88 Ronnie Mahon contributes \$1000 to F.O.O.D..

4/26/88 Queenan calls Demery.

4/26/88 Meide and Sons, Inc. contribute \$10,000 to F.O.O.D. Exhibit 9 to IGR at 3. Meide is involved with Queenan and other Winn Group members in mod rehab projects in North Dakota. See 9/18/89 IGR at 30.

4/28/88 J. Michael Queenan holds FOOD fundraiser in Denver; Queenan introduces Demery; Winn, Abrams, Mahon, Debartolomeis, Baker, and Silvestri also attend dinner (IGR at 388, 526); almost all participants are persons who did business with Queenan. Queenan himself contributes \$35,000. Queenan also pays \$1459.70 in expenses. IGR at 523. Several Denver HUD officials attend, apparently at a table paid for by Queenan (IGR at 526-33) to the great consternation of at least one HUD official. IGR at 530-31.

Wilson flies in from New York to attend, and is one of ten persons, including Demery and Sharon Shore of the Casper Housing Authority, for whom Queenan will book rooms at the Hyatt Regency. IGR at 523.

(Washington Post article of 7/9/89 would report that Queenan's attorney had said that Queenan had promised Pretorius a minumum and had to make up the difference. Queenan would tell Lantos subcommittee that his agreement was to match other contributions.)

4/28/88 By memorandum of this date, Demery informs all regional administrators that they are authorized to add up to 2 additional PHA's to list. Denver adds Aurora Housing Authority and Utah County* Housing Authority to its list. Sharon Jewell

of Denver staff makes the additions, adding Aurora because it had been on the original list and Utah County because it had expressed an interest. IGR at 390-91. Aurora is eventually selected to receive mod rehab funding.

5/4/88 Winn calls. Leaves message: "the date is January 15."

5/5/88 Benton Mortgage contributes \$7,000 to FOOD. Exhibit 7 to IGR at 4.

*5/5/88 Demery has breakfast with Phil Winn at the Madison Hotel.

5/5/88 Demery sends thank you note to Queenan stating: "I would like to thank you from the bottom of my heart for including me at your dinner last week in Denver... and I hope you would think to include me in future opportunities...."
TD4/4/3.

5/6/88 Wilson calls.

5/9/87 Abrams calls to set up meeting for 5/11 with Jim Butler of HOPE (Home Owners Protective Effort..

*5/10/88 Queenan calls to tell Demery that he will be at the dinner but would like to see him in the office tomorrow. Demery handwritten notes indicates he will see Queenan in the office at noon.

5/11/88 Phil Abrams and Jim Butler meet with Demery.

*5/11/88 Queenan meets with Demery. Gold Crown Foundation of Denver (which is apparently related to Gold Crown Corp. of Denver/Raymond Baker), contributes \$3,000. Exhibit 9 at 2. The check is deposited on 5/23/87, along with one other check, which is from Demery himself. Exhibit 7 to IGR at 4.

5/24/88 HUD Supervisory Regional Economist recommends that funding of Casper be reduced from 145 units to 38 units. IGR at 386. MaCravey, Director of Community Planning and Development also opposes Casper request. IGR at 530.

5/27/88 Maples in memorandum to Donald Dirksen (Denver HUD Director of Housing) indicates that Demery stated that the 145 units were going to Casper. IGR at 386. 127 of these units go to developer Baker (of Gold Crown) and Silvestri with Queenan and Mahon as the co-brokers. See IGR at 387-88.

HUD IG Report is not absolutely clear on who made the decision to override the Denver staff recommendation regarding Casper. But Washington Post article of 7/9/89 would report that Demery acknowledged that he made the decision, indicating as the basis for that decision that local Casper officials were

more knowledgeable about the situation than HUD officials in Denver.

In hearing before Lantos subcommittee on 10/13/89, Queenan is questioned by Lantos as to whom Wilson was to contact at HUD to secure the Casper units. Queenan stated that he had been told by Winn that Wilson contacted Deborah Dean to secure the units. Dean, however, had resigned as Pierce's Executive Assistant in July of 1987, almost a year before. Demery's 11/7/88 Memorandum to Pierce (at 2) shows Dean having no role in mod rehab selections after April of 1987.

6/88 HUD HQ reviews 150 mod rehab requests, after Demery has implemented changes that Queenan would describe in his testimony as "tremendous and sweeping." Among requests considered are those from from Aurora, CO, Victoria, TX, Clark County, NV, Santa Cruz, CA, and North Dakota HFA.

Worksheets of HUD HQ Ranking Panel, which reviewed applications initially scoring over 40 points, show that Aurora receives 50 points and Victoria and Santa Cruz each receives 48. Clark County, however, is not mentioned on the list at all. On 6/24/88, Lawrence Goldberger transmits to Demery the Ranking Panel's recommendations. The Panel recommends that Aurora should receive 100 units of its requested 150 units. The Panel also lists Clark County as receiving 50 points, and recommends that Clark County receive all 200 of the units it requested, to be split funded between 1988 and 1989.

The Panel recommends that, if selected, Victoria should receive 150 of the requested 168 units and Santa Cruz should receive 75 of the requested 200 units. Since all 19 PHAs coring 48 points have at least one tie-breaker criterion, Goldberger leaves it to Demery to choose which of the 19 are funded. Victoria is one of the nine selected, although Santa Cruz is not selected. With regard to the other eight see Siegel/Phoenix chronology (rev. 12/4/89) and Artiano/Pingree-Dahle chronology (rev. 12/4/89).

Between approximately 6/15/88 and 6/24/88, PHAS scoring between 44 and 48 points are allowed to submit additional information on financing factor. See Artiano/Pingree Dahle chronology. North Dakota HFA, which scores 44 points, would be entitled to submit additional information. All North Dakota mod rehab projects on Exhibit C to 9/18/88 IGR at 30 are Winn Group projects.

6/15/88 Wilson calls.

6/22/88 Queenan calls from a North Dakota number: "needs to speak with you in Fargo today - pls call." The message is marked "SPECIAL," and is returned

North Dakota HFA's score is not raised to 48. It is not clear whether any additional information on the financing factor was submitted. But IG worksheets make clear that, since

North Dakota HFA had already received 2 of a possible 5 points for financing, it would not have been possible for additional financing information to raise its total score to 48. See 12/13/88 entry.

6/27/88 Demery, Dorsey and Covitz meet on mod rehab selections.

6/27/88 Queenan calls at 5:50 p.m. asking Demery to call him at home in the evening. Call is returned; Demery notation is illegible.

6/27/88 Wilson calls saying he will call again; later calls returning Demery's call; then calls lat 6:10 p.m. in day saying he will call tomorrow.

7/7/88 DeBartolomeis calls regarding black tie event moved from 7/13 to 7/24 regarding Phil Winn's swearing in as Ambassador to Switzerland.

7/12/88 Wilson calls.

7/14/88 Wilson calls to move his metting from Tuesday to Wednesday.

7/20/88 Demery meets with Wilson and Cushing regarding Mayfair Mansions.

7/20/88 According to HUD Form 185, on this date 150 mod rehab units sent to Victoria, Texas. According to the 9/18/89 IG Report (at 36), these units would go to Fox Run Apartments, a Raymond T. Baker project.

As of 10/28/88, there were three bidders for the Mod Rehab units that went to Aurora Housing Authority in 1988: Wahl (see 4/88 entry), Baker/Silvestri, and a non-profit group. IGR at 281-82. 9/19/89 IG Report (at 20) indicates that Baker was the successful developer for these units with a 95-unit project called Elmwood/Delmar Apts.

12/13/88 Demery eventually sends 100 FY 1989 mod rehab units to Clark County HA, 67 Units to Santa Cruz HA, and 33 units to North Dakota HFA. Information is not available on the developers who received these units. However, as noted, the 9/18/89 HUD IG Report (at 30) indicates that North Dakota projects on which there is information are Winn Group projects.

POSTSCRIPT 1: KNOWLEDGE OF FOOD CONTRIBUTORS.

The 7/9/87 Washington Post discussing the Casper project, reported that Demery emphasized that contributions to F.O.O.D. had not influenced his decision. He told that Post

that he did not know who gave to F.O.O.D. and in the few cases where he found out that a F.O.O.D. contributor was involved in a HUD project, he recused himself from the project.

In a 5/11/89 hearing before the House Banking Committee, however, Demery defended to Representative Kennedy his decision to overrule the HUD regional office's recommendation to foreclose on a property owned by a developer named Alan Bird. Bird had contributed \$27,000 to F.O.O.D. in October 1986, just before Demery was confirmed in his position at HUD, and \$2,500 thereafter. Exhibit 9 to IGR at 4; Exhibit 8 to IGR at 1. Pressed by Kennedy, Demery acknowledged that he had known of the earlier contribution.

POSTSCRIPT 2: WAIVERS AND PROJECT-BASED CERTIFICATES

Any inquiry into the extent to which Demery may have made decisions related to Mod Rehab for the benefit of Winn Group members must consider the granting of maximum rent and other types of waivers both on projects funded during Demery's tenure and those funded earlier.

Such an inquiry must also consider the awarding of existing housing certificates, which, after being authorized for use in a project specific manner in 1988, were the equivalent of mod rehab units. See Note after 12/31/87 entry. It appears that they were issued entirely at Demery's discretion. See, e.g., Demery to Goldberger 8/29/88 Memorandum, TD5/3/11. In both FY 1988 and 1989 many certificates were sent to the areas where the Winn Group did most of its business.