

DOCUMENT RESUME

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[Construction Problems at HUD-Insured Housing Projects].
CEB-78-39; B-114860. February 14, 1978. 2 pp.

Report to Patricia R. Harris, Secretary, Department of Housing and Urban Development; by Henry Eschwege, Director, Community and Economic Development Div.

Issue Area: Domestic Housing and Community Development:
Minimizing Mortgage Insurance Losses (2108).

Contact: Community and Economic Development Div.

Budget Function: Commerce and Transportation: Mortgage Credit and Thrift Insurance (401).

Congressional Relevance: House Committee on Banking, Finance and Urban Affairs; Senate Committee on Banking, Housing and Urban Affairs.

Previous reports have identified construction problems at Department of Housing and Urban Development (HUD)-insured housing projects in Rhode Island. In addition, the HUD Inspector General noted similar problems in the areas served by the Department's Philadelphia, San Antonio, Boston, and Albany Offices. HUD should take immediate steps to ascertain whether the problems and deficiencies noted are isolated instances or are indicative of nationwide problems in program monitoring and field inspections requiring aggressive corrective action to protect the interests of the Government and the tenants of HUD-subsidized projects. (RBS)



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

FEB 14 1978

B-114860

The Honorable Patricia R. Harris
Secretary of Housing and Urban
Development

Dear Mrs. Harris:

Enclosed is a copy of our report to Congressman Ronald A. Sarasin on construction problems at the Department of Housing and Urban Development's insured housing project in Naugatuck, Connecticut. Our report discusses problems encountered during the construction of the project and similar problems that (1) we reported on June 3, 1977, (CED-77-66), concerning another Department-insured housing project in Woonsocket, Rhode Island, and (2) your Inspector General reported on October 31, 1977, (CG-99), concerning numerous housing projects located in the areas serviced by the Department's Philadelphia, San Antonio, and Boston Area Offices and the Albany Insuring Office.

On the basis of our current findings at Naugatuck and the findings your Inspector General reported, we reaffirm our recommendation made in the Woonsocket report that the Department take immediate steps to ascertain whether the problems and deficiencies discussed in the report are isolated instances or are indicative of nationwide problems in program monitoring and field inspections requiring aggressive corrective action to protect the interests of the Government and the tenants of Department-subsidized projects.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

CED-78-39
(990516)

B-114860

Copies of this report are being sent to the House Committees on Appropriations; Government Operations; and Banking, Finance and Urban Affairs; Senate Committees on Governmental Affairs; Banking, Housing, and Urban Affairs; and Appropriations, Subcommittee on HUD-Independent Agencies; Acting Director, Office of Management and Budget; your Assistant Secretary for Housing-Federal Housing Commissioner; and your Inspector General.

We would appreciate being advised of actions taken on the matters discussed in this letter.

Sincerely yours,



Henry Eschwege
Director

Enclosure