

ERVIN and  
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INCORPORATED

FT-189/68

May 19, 1997

Ms. Pat Morgan  
Director, Executive Secretariat  
U.S. Department of HUD  
451 Seventh Street, SW, Room 10139  
Washington, D.C. 20410

Via Facsimile to (202) 618-8365  
RECEIVED  
MAY 20 8 49 AM '97  
EXECUTIVE  
SECRETARIAT

Re: Freedom of Information Act (FOIA) Request  
Fee Sharing Arrangements

Dear Ms. Morgan:

It has recently been reported that HUD is selectively cracking down on Bruce Rozette for his ownership entities obtaining kickbacks out of property management fees after a change in management. We question, however, as to whether this approach is currently being implemented evenly or fairly across the portfolio and why HUD does not seem to be cracking down on whoever was paying the kickbacks.

Under the provisions of the Freedom of Information Act, please provide us with a copy of all requests for approval of similar type fee sharing arrangements since June 18, 1993 and HUD's approval or disapproval of such requests. We would suggest that HUD start by identifying the fastest growing management companies over the past few years and determining whether or not HUD's approval of this type of arrangement contributed to this growth. Al Sullivan would be the HUD employee best able to identify these situations.

Rather than waiting until you have a complete answer, please provide us with information as it is located.

Since the actions being taken against Mr. Rozette indicate that HUD is ready and willing to pursue damages against parties who have taken such kickbacks, any responsive documents obtained in the processing of this request should lead to future targets of this crackdown by HUD. Considering this, production of this information is clearly in the public interest and Ervin and Associates requests a waiver of all fees associated with the processing of this request.

If you have any questions, please call me at (301) 469-3422.

Very truly yours,  
ERVIN and ASSOCIATES, INCORPORATED

  
David J. Ervin