

**ERVIN and  
ASSOCIATES**  
INCORPORATED

FE-193094

June 30, 1997

Ms. Pat Morgan  
Director, Office of the Executive Secretariat  
U.S. Department of Housing and Urban Development  
451 Seventh Street, SW, Room 10139  
Washington, D.C. 20410-0500

Via Fax to (202) 619-8365

Re: Freedom of Information Act Request  
Lifetime Ban of Political Appointees Work at HUD

Dear Ms. Morgan:

Page 4-25 of Hamilton Securities Best and Final proposal for their initial financial advisor contract (DU-18161), dated July 8, 1993, includes the following passage:

RECEIVED  
JUL 1 9 37 AM '97  
EXECUTIVE  
SECRETARIA

"We would point out that our attorneys have reviewed the ethics and conflict of interests laws governing the relationship of former political appointees to future interactions with the agencies where they served. Both C. Austin Fitts and Russell T. Davis, having left HUD in 1990, have satisfied the time requirements of these laws and can engage in work for HUD. Regarding a political appointee's lifetime ban against working specifically on any transactions he or she worked on while at HUD, the likelihood of any conflict in the performance of this contract is extremely remote."

Additionally, on November 9, 1994, the *Washington Post* reported the following:

"Fitts...advocated, among other things, that the government sell off bad mortgages and foreclosed properties at bargain rates.

"These notions did not sit well with the Kemp folks.

"But they sound perfectly good to Henry Cisneros's folks...They've brought in Hamilton Securities Group, Inc., a real estate investment bank and broker-dealer here, to advise them on the sale of multifamily housing notes.

"And guess who's working on this for Hamilton? Of course, C. Austin Fitts."

Ervin and Associates is curious as to whether the "lifetime ban" applies only to individual loans or whether it also applies to program related issues such as Note Sales, which Ms. Fitts clearly has worked on as a political appointee and a contractor. Ervin is also curious whether HUD relied on the representations in Hamilton's Best and Final that there is no conflict of interest or whether HUD did its own investigation into the matter.

FD-193094

Under the provisions of the Freedom of Information Act, please provide us with the following:

Not FOIA •

- Any regulations regarding former government employees or political employees work for an agency after their tenure with the agency, including the "lifetime ban" that applies to political appointees;
- Any documentation regarding HUD's independent review of the potential conflict of interest of Austin Fitts and Russ Davis working on Note Sales for HUD; and
- Any conflict of interest requests or waivers in connection with Ms. Fitts or Mr. Davis's work for HUD after their tenure as political appointees.

Please note that the information requested is not for profit making activities. Considering this, Ervin and Associates should be considered a non-commercial requester and any fees assessed should be subject to the limitations on fees for non-commercial requesters.

Ervin and Associates agrees to pay up to \$50 for the processing of this request. If the anticipated fees exceed \$50, please call me at (301) 469-3422 so I may have the opportunity to reformulate the request.

Very truly yours,  
ERVIN and ASSOCIATES, INCORPORATED



David J. Ervin