

# ALLIANCE FOR HEALTHY HOMES

Protecting Children from Lead and Other Environmental Health Hazards



**MEDIA ADVISORY: April 28, 2005**

## **HUD Inspector General Is Investigating Questionable Lead Paint and Healthy Homes Grantmaking Process**

On April 26, 2005, staff in the Office of the HUD Inspector General (IG) confirmed that they have begun an investigation of HUD's 2004 Healthy Homes and Lead Hazard Control grant award process. On October 7, 2004, the Alliance for Healthy Homes called on the HUD Inspector General to investigate evidence that the HUD Office of Healthy Homes and Lead Hazard Control (OHHLHC) failed its duty to carefully review applications and award lead safety and healthy homes grants based on merit and performance in 2004. The HUD IG's office this week informed the Alliance that it has completed a preliminary audit survey in response to the Alliance's October complaint (see [www.afhh.org/aa/aa\\_policy\\_federal\\_agencies\\_request\\_for\\_IG\\_Invest.pdf](http://www.afhh.org/aa/aa_policy_federal_agencies_request_for_IG_Invest.pdf)). Based on their preliminary review, the IG concluded that a full audit of HUD's application review and grant award process is warranted and said that their audit is already underway.

OHHLHC outsourced review of all 2004 lead hazard control and healthy homes grant applications to an outside contractor, without ensuring that contract reviewers were qualified or trained to evaluate the more than 200 funding proposals HUD received. Don Ryan, Executive Director of the Alliance for Healthy Homes said, "Several suspect grant awards in 2004 raise serious doubts about the quality and fairness of the grants process." Ryan noted that HUD awarded almost \$2 million in an Operation LEAP grant to AIMCO, the nation's largest rental property management firm, which has a history of violating federal law and regulations. Two years ago, HUD and EPA penalized AIMCO \$129,580, the largest ever penalty for widespread violations of the federal lead hazard disclosure law. On May 12, 2004, HUD's Inspector General found that a subsidiary of AIMCO inappropriately used \$409,388 in three federally assisted properties. "While rewarding AIMCO's bad behavior," Ryan noted, "HUD denied funding for Operation LEAP grants to organizations in several cities with notable lead poisoning problems, including Chicago, St. Louis, Baltimore, and San Diego."

HUD also awarded lead abatement grants of up to \$3 million to several cities that had performed poorly on past projects while denying funding to many cities and states with strong lead poisoning prevention programs and excellent track records with previous grants.

Don Ryan is available for interviews and can be reached at 202-543-1147.

*The Alliance for Healthy Homes is a national nonprofit policy and advocacy organization working to protect children from lead and other health hazards in and around their homes by building capacity for primary prevention in communities at risk.*