



JIM GRAHAM
COUNCILMEMBER, WARD ONE
COUNCIL OF THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004



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Chairperson
Committee on Human Services

March 21, 2014

The Honorable Charles G. Willoughby
Inspector General for the District of Columbia
717 14th Street NW 5th Floor
Washington, DC 20005

Mr. Inspector General,

I am writing to draw your attention to irregularities that have come to my attention in the Housing Purchase Assistance Program (HPAP) involving Brianne Nadeau's application for HPAP funding with the Greater Washington Urban League (GWUL).

The Housing Purchase Assistance Program helps lower-income and moderate-income individuals and families purchase affordable housing in the District of Columbia. The income levels for this program are stringent. We must take seriously situations where someone applies for HPAP but *claims* an income level lower than it is, in truth. Severely limited HPAP funds should go to those who most need the help.

In the course of the current campaign, Brianne Nadeau discussed the quality of Constituent Services in Ward 1. She also frequently mentions an HPAP grant that made it possible to purchase her apartment. I recalled that she asked and received various Constituent Services. I researched my email with a focus on her HPAP application. The more I looked into the matter, the more concerned I became about the possibility of fraud. Hence, I am sharing what I have learned with you.

Sound HPAP decisions require up-to-date financial information.

The GWUL handled the HPAP award in Ms. Nadeau's case. Urban League staff have assured me of their goal to base HPAP awards on current financial information. If an application has been pending for a while, they said, the Urban League requests updated financial information — to be sure that the applicant still meets program requirements.

In her First HPAP application, Ms. Nadeau would have given financial information on her income.

In an application for HPAP money, income level is a critical consideration. Income level determines how much down payment assistance a person may get. For example,

Prior to May 2007, Ms. Nadeau first applied for an HPAP award. Although her statement may not be accurate and may instead refer to a Notice of Eligibility (NOE) not an award, Ms. Nadeau has asserted that in May 2007 she qualified for \$34,500 in down payment assistance. An NOE expires after the passage of 180 days. The NOE in this case would thus have expired about January 2008.

To qualify for this much down payment assistance, at in 2007, HPAP required that a one-person household have income of less than \$50,000. (HPAP charts attached.)

GMUL HPAP procedures require that an application include current pay stubs and three years of income tax returns. In Ms. Nadeau's case this likely meant pay stubs from 2006 or early 2007 and tax returns from 2006, 2005, and 2004.

During that period, Ms. Nadeau worked for a non-profit organization and on a political campaign. It's fair to assume she may have made less in this work than what she made later as a Congressional staff member.

Hence, the relevant pay stubs and tax returns, from pre 2007, may have supported her claim to a \$34,500 award for down payment assistance. **However, at the time of her approval in May 2007, available congressional data suggests her income had already increased to \$50,000/year – above the salary limit that would make her eligible to receive the \$34,500 award.**

But Ms. Nadeau asserted that her income had not changed over a two year period.

Over a period of two years, when Brianne Nadeau applied for HPAP assistance to buy an apartment, her financial information was not updated, even though the update was explicitly requested by HPAP staff as part of a new application in 2008.

Ms. Nadeau told the Urban League that her salary had not increased--

*"My application was first approved in May 2007 at \$34,500 for down payment assistance and \$7,000 for closing costs. **Since that time my income has not changed at all.** (1 year and 9 months ago.)" (emph. added)*

And again, concerning the "new" HPAP application in 2008 she wrote (in Feb 2009),

"In May of 2008, I was told that my original application had been discarded due to time that had elapsed, having been given no advance warning. I was told at that time, by

*Stormi Crumpton, that I would simply have to **supply updated financial information** and my application would be reopened. (9 months ago)" (emph added)*

*"That turned out to be a misunderstanding, and I subsequently submitted an entirely new application in October **with exactly the same financial information as before, which reflected my current circumstances** (4 months ago)" (emph added)*

Ms. Nadeau's actual 2007 and 2008 salary increased from 2006.

As I, reflected on this matter. I began to wonder about Ms. Nadeau's salary history. During the years in question, Ms. Nadeau was working for Congressman John Sarbanes of Maryland. Her salary, like that of all Congressional staffers, is a matter of public record. I checked that record, and this is what I found:

In 2007, Ms. Nadeau's annual salary was \$51,208.

In 2008, her annual salary was \$54,106.

In other words, neither her 2007 income nor her 2008 income would have qualified her for the level of down payment assistance that Ms. Nadeau got from HPAP in 2009.

In submitting "an entirely new application" in 2008, she did not provide or update financial information (even though in fact, her income had increased). This was a requirement of a new application

Why did she not provide new financial data? Perhaps the reason that she was reluctant to report her then current income was that her actual Congressional income level would not have qualified her for the \$34,500 in down payment assistance.

The Inspector General needs to investigate Ms. Nadeau's claims.

Summary of Issues

There are two basic conclusions suggested by the known information regarding the HPAP application of Brianne Nadeau.

First, in 2009, Brianne Nadeau receive more HPAP funding than entitled to under the applicable income guidelines in May 2007 as well as the guidelines in effect in October 2008 (when she submitted her "new application"). Contrary to what she surely know to be true, Brianne Nadeau continued throughout the process to assert that her income had "not changed" from the time she submitted the original application.

Second. It appears that—by providing "exactly the same financial information: as in the original application submitted in 2006/2007 and not reporting the greater income she had in either 2007 or 2008—she misrepresented her actual income in that "new" October 2008 application. As to both points, had she accurately reported her then current income—in 2008 about \$54,000—she would have been eligible for about \$15,000 in down payment assistance. In fact, it was the amount of \$15,250 in down payment assistance that Aubrey Sasser decided that Brianne Nadeau was entitled to on February 6, 2009. That award conforms to an income of

about \$54,000 under both the 2006 and 2007 guidelines. Her actual annual gross income for 2008 was \$54,160.

So, since Brianne Nadeau did not accurately report (as required) her current income in the "new" application in October 2008, how did HPAP know of the \$54,160 salary in 2007? The loan documents should answer that question. However, it is the practice of the GWUL to require check stubs to insure the applicant is still within the income level that he or she originally reported to GWUL when the Notice of Eligibility was issued. It is reasonable to conclude that the check stubs—not the reported income on the application revealed the actual income. Consequently GWUL's Aubrey Sasscer calculated an HPAP award appropriate to that income level.

Sasscer's decision occurred on Friday, February 6. By 5:34 PM on the following Monday, February 9—after reportedly consulting with DHCD—GWUL sent an email deciding to award the HPAP grant based on the old income information that GWUL surely knew was neither accurate nor current.

There are questions here of serious irregularities and, depending upon the loan documents that Brianne Nadeau signed, perhaps fraud. All of which raises a serious question about the ethics of someone who is today seeking election to the Council of the District of Columbia.

I am reminded of the resignation of the Council Chair in 2012. He had been charged with falsifying records in applications to obtain loans. In one case, he admitted to switching a "3" to an "8" on a document, to inflate his salary as a consultant from \$35,000 to \$85,000 in order to boost his prospects of obtaining the loan. In that case, income was inflated. In this matter, Brianne Nadeau deflated her income in order to qualify for a higher HPAP award.

After the decision on February 6, awarding half of what she needed, Brianne Nadeau appealed for assistance from myself and the Council Chair. But in that email, she misrepresented the issue, stating that her HPAP application had been "approved under the new funding guidelines rather than the having been grandfathered under the old funding guidelines." Her email makes no reference to the upward change in her income being the basis for Mr. Sasscer's decision, and indeed she insisted in attached emails that no income change had occurred. Had she indicated the change in income as the basis for the reduced HPAP grant, of course my response would have been different. By the way, all of her emails throughout this private matter were signed by Brianne Nadeau over her title as Chair of ANC1B, in whose district GWUL is located.

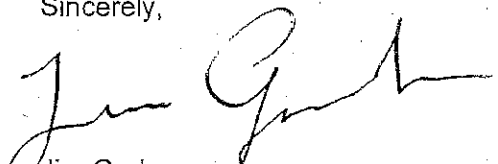
The relevant emails, Congressional salary information and HPAP funding guidelines are included herein.

These are conclusions based on apparent facts. I have called upon Brianne Nadeau to release all of the loan documents in this matter. I allow for the possibility that those documents might clear up some of this concern.

I have also been in touch with both GWUL HPAP office, and the HPAP office in DHCD. The latter is now searching for the records as well.

Thank you for investigating the issues that I have raised, and I look forward to your report.

Sincerely,



Jim Graham

Attachments

Attached: Nadeau Emails
Congressional Salary Charts
HPAP Award Guidelines

From: Jim Graham
Sent: Tuesday, February 10, 2009 8:31 AM
To: Brianne Nadeau; Aubrey Sasscer; kimhenderson@gwul.org
Cc: Jennifer Myers; Gregory B Kingsbury; Wilson Reynolds
Subject: RE: Brianne Nadeau -- HPAP Application

Good news. Thanks

I typically answer emails before 9 AM on weekdays. If you email me after that, it is likely that you will hear from me the next weekday. If there is a need to communicate prior to that, you may wish to call me. For most effective communication, please use my direct email address: jim@grahamwone.com

Jim Graham, Councilmember, Ward One, 1350 Pa. Ave., NW, #105, Washington, DC 20004. 202-724-8181; 202-724-8109 (fax).

Chairman, Committee on Public Works and the Environment (including alcohol regulation). Main Committee Number: 202-724-8195. 1350 Pa. Ave., NW, #116, Washington, DC 20004.

Chairman and Voting member, Board of Directors, WMATA/Metro.

Website: www.grahamwone.com

From: Brianne Nadeau [<mailto:brianneknadeau@yahoo.com>]
Sent: Monday, February 09, 2009 5:22 PM
To: Aubrey Sasscer; kimhenderson@gwul.org
Cc: Jennifer Myers; Gregory B Kingsbury; Jim Graham; Wilson Reynolds
Subject: Re: Brianne Nadeau -- HPAP Application

Thank you ALL. This is such wonderful news. I appreciate all of your efforts on my behalf. They will not soon be forgotten.

Brianne Kruger Nadeau
Commissioner, ANC 1B05
<http://www.BrianneKNadeau.com>

From: Aubrey Sasscer <aubreysasscer@gwul.org>
To: Brianne Nadeau <brianneknadeau@yahoo.com>; kimhenderson@gwul.org
Cc: Jennifer Myers <Jennifer@JenniferMyers.com>; Gregory B Kingsbury <gregory.b.kingsbury@bankofamerica.com>
Sent: Monday, February 9, 2009 5:34:02 PM
Subject: RE: Brianne Nadeau -- HPAP Application

Good afternoon to all,

We have good news to share. We will be able to honor the old NOE assistance amount. Gregory you need to place her in a fixed rate product please and keep the ratios in line. Please make the revisions and email them to me.

We are sorry for the delay in the decision process, but I believe it was well worth the wait.

Best Regards,
Aubrey Sasscer

-----Original Message-----

From: Brianne Nadeau [mailto:brianneknadeau@yahoo.com]
Sent: Monday, February 09, 2009 8:30 AM
To: kimhenderson@gwul.org
Cc: aubreysasscer@gwul.org; Jennifer Myers; Gregory B Kingsbury
Subject: Brianne Nadeau -- HPAP Application

Dear Ms. Henderson,

I spoke with Aubrey Sasscer on Friday and he indicated at that time that my application would be approved under the new guidelines at \$15,250 for down payment assistance and \$4,000 for closing costs. As you probably know from having reviewed my application, **there is absolutely no way I'll be able to purchase the condo** I have under contract at those amounts. I asked Aubrey if you would please consider reviewing my application again under the original guidelines, and I understand that's where we are now. I wanted to provide a brief review as you reconsider.

- My application was first approved in May 2007 at \$34,500 for down payment assistance and \$7,000 for closing costs. Since that time my income has not changed at all. (1 year, 9 months ago)
- **I subsequently put down an earnest money deposit and received 2 mortgage estimates. I would never had done so, had I not believed on good faith that my original approval would be honored.** (1 year, 5 months ago)
- In May of 2008 I was told that my original application had been discarded due to the time that has lapsed, having been given no advance warning. I was told at that time by Stormi Crumpton that I would simply have to supply updated financial information and my application would be re-opened. (9 months ago)
- That turned out to be a misunderstanding, and I subsequently submitted an entirely new application in October with exactly the same financial information as before, which reflected my current circumstances. (4 months ago)
- In the processing of my second application, an error was made in calculating my income, and I was offered significantly less money. My lender at Bank of

America, Greg Kingsbury, spoke with Aubrey at that time, and was assured that it would be corrected.

- **I then signed a ratified contract with the seller and locked in a mortgage rate with my lender and delivered all of this updated information to the Greater Washington Urban League (GWUL). At the time my lender had been in constant contact with Aubrey, and had worked out a debt-to-income ratio that everyone was comfortable with. (4 months ago)**
- Based on the experience of my Realtor and lender there was no indication I should have trouble being reapproved. The fact that I had a prior approved application from HPAP and that we had worked so closely with Aubrey to meet HPAP guidelines certainly led us to believe this.
- When the freeze and budget cuts occurred I had still not heard about my application approval and could not get anyone to discuss it with me. My Realtor had a conversation with a staff person at GWUL who told her off the record that GWUL had been "sitting on" some of the applications, knowing that the budget cuts were coming. (2 months ago)
- In order to ensure that there were no obstacles to my approval I attended the required home-purchasing training and received my certificate. (2 months ago)
- Since that time I, my Realtor and my lender have repeatedly tried to follow up to gain more information about the status of my application, to no avail. It was not until I arrived at GWUL in person 2 weeks ago that I was ultimately able to speak to Aubrey -- on the phone. On Friday I spoke with you and Aubrey about my application and then ultimately heard from Aubrey in the afternoon with the news of my application being approved under the new guidelines.

Based on all that is outlined above I believe that my application should have been grandfathered into the original guidelines. And I trust that you understand that I would not have waited what will amount to almost 2 years in the end to purchase this property had I not believed on good faith that my original approval would be honored by HPAP. I have sacrificed a great deal by serving on the ANC, only one example being my ability to purchase a home anywhere I wish. This condo is the **only** home in my entire district that I can afford to purchase, and I cannot do that without funding from HPAP at the prior guidelines. I understand that nobody is entitled to HPAP funds, and I do not take for granted that I should receive them. But I would never have ventured down this long and arduous path had I not believed I would eventually be approved for funding at a level that would allow me to purchase the home I had put under contract.

I think you have the power to make this right, and the reputation of fairness and compassion that precedes you leads me to believe you will consider everything I have written as you make the final decision. If there is someone else I need to talk to I am glad to do so. I am always available to you by phone at 202-494-5736.

I also want you to know that the information Aubrey provided me on Friday upset me greatly and I took the opportunity to consult my attorney who has advised me that it would be appropriate to send you this e-mail, and is willing to work with me if we are not able to resolve this through the regular application process. I am unaware of any formal

appeal process at this time, so for now I will simply send this e-mail.

Thank you for your time and consideration.

Brianne Nadeau

Brianne Kruger Nadeau
Commissioner, ANC 1B05
Chairperson, ANC1B
<http://www.BrianneKNadeau.com>

From: Jim Graham

Sent: Monday, February 09, 2009 10:25 AM

To: Kim Henderson; leila.edmonds@dc.gov; vgray@dccouncil.us; Brianne Nadeau

Cc: Janice Smith; Maudine Cooper; Gregory B Kingsbury; Jennifer Myers; Wilson Reynolds; JConstantino@DCCOUNCIL.US

Subject: RE: Brianne Nadeau -- HPAP Application

Thanks so much for this consideration and action. Bests

I typically answer emails before 9 AM on weekdays. If you email me after that, it is likely that you will hear from me the next weekday. If there is a need to communicate prior to that, you may wish to call me. For most effective communication, please use my direct email address: jim@grahamwone.com

Jim Graham, Councilmember, Ward One, 1350 Pa. Ave., NW, #105, Washington, DC 20004. 202-724-8181; 202-724-8109 (fax).

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Voting member, Board of Directors, WMATA/Metro.

Website: www.grahamwone.com

From: Kim Henderson [<mailto:kimhenderson@gwul.org>]

Sent: Monday, February 09, 2009 10:39 AM

To: leila.edmonds@dc.gov; vgray@dccouncil.us; Brianne Nadeau; Jim Graham

Cc: Janice Smith; Maudine Cooper; Gregory B Kingsbury; Jennifer Myers; Wilson Reynolds; JConstantino@DCCOUNCIL.US

Subject: RE: Brianne Nadeau -- HPAP Application

Councilmember Graham, we will be discussing Ms. Nadeau today with DHCD program managers. I am hopeful about her situation. I think it is most appropriate that Ms. Edmonds answers the funding issues.

We did decline her contract twice. With the approved FHA first mortgage we now have that was submitted after November 14th, we would be uncomfortable approving the contract. We have asked her to get her lender to modify the loan terms. We will discuss her case with DHCD to see if we can honor her under the old guidelines.

As for the statement, "we are sitting on applications" knowing the budget cuts are coming. This statement is not true. We have complied with the DHCD directive to stop processing applications until the recent lifting of the freeze.

We do understand this has been confusing and distressful. Again, I will be talking with DHCD today on this matter.

Kimberly T. Henderson
Director of Housing and Community Development
Greater Washington Urban League
2901 14th Street NW, Wash, DC 20009
(202) 265-8200 x242
(202) 557-5877 cell
(202) 265-8929 fax
Assistant: Carla Freeman x228

Empowering Communities. Changing Lives.

-----Original Message-----

From: Jim Graham [mailto:Jim@grahamwone.com]
Sent: Monday, February 09, 2009 9:13 AM
To: Brianne Nadeau; vgray@dccouncil.us; kimhenderson@qwul.org; leila.edmonds@dc.gov
Cc: JConstantino@DCCOUNCIL.US; Wilson Reynolds; Jennifer Myers; Gregory B Kingsbury
Subject: RE: Brianne Nadeau -- HPAP Application

Kim Henderson, First, let me express my strong support for Ms. Nadeau's appeal here. Please do all you can.

Second, please advise me where the additional funding expected in Jan 09, for this program, now stands. I am also including DHCD Dir Edmunds for her response.

Bests CM Jim Graham

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Website: www.grahamwone.com

From: Brianne Nadeau [<mailto:brianneknadeau@yahoo.com>]

Sent: Monday, February 09, 2009 8:42 AM

To: Jim Graham; vgray@dccouncil.us

Cc: JConstantino@DCCOUNCIL.US; Wilson Reynolds; Jennifer Myers; Gregory B Kingsbury

Subject: Fw: Brianne Nadeau -- HPAP Application

Councilmembers,

In November you heard from me about my HPAP application, which had been in progress for a year and a half at that time. I learned on Friday that my application had been approved under the new funding guidelines rather than having been grandfathered in under the old funding guidelines -- a difference of \$19,000 in down payment assistance and \$3,000 in closing cost assistance. Unfortunately this will mean that after waiting since May of 2007 to own a home in my SMD, I will not be able to do so.

Below you will find my appeal to the Greater Washington Urban League. It outlines clearly the kind of incompetence and negligence that is taking place in the administration of HPAP. I have consulted an attorney, but do not wish to pursue that avenue. I am hoping we can resolve this issue with a little common sense.

I am asking today as your constituent if there is anything you can do here to make this right. I am grateful to you for your assistance.

Thank you,

Brianne

Brianne Kruger Nadeau

Commissioner, ANC 1B05

<http://www.BrianneKNadeau.com>

----- Forwarded Message -----

From: Brianne Nadeau <brianneknadeau@yahoo.com>

To: kimhenderson@gwul.org

Cc: aubreysasscer@gwul.org; Jennifer Myers <Jennifer@JenniferMyers.com>; Gregory B Kingsbury <gregory.b.kingsbury@bankofamerica.com>

Sent: Monday, February 9, 2009 8:30:01 AM

Subject: Brianne Nadeau -- HPAP Application

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