

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



November 5, 2021

Drew Hubbard
Interim Director
Department of Housing and Community Development
1800 Martin Luther King, Jr., Avenue S.E.
Washington, D.C. 20020

Dear Interim Director Hubbard:

My Office will soon start a review of Department of Housing and Community Development (DHCD) contracts pertaining to loan servicing and asset management services.

We will conduct this engagement in accordance with standards established by the Council of the Inspectors General on Integrity and Efficiency, paying particular attention to the quality of internal control.¹

The primary objectives of contract reviews, which are identified as an ongoing initiative in my Office's *Fiscal Year 2022 Audit and Inspection Plan*,² are to: 1) determine whether there are terms or practices that are unfavorable to the District or conflict with industry standards or applicable criteria; and 2) assess whether parties to the contract have adhered to contract terms and conditions, and whether DHCD maintains proper oversight of services and deliverables.

Please provide Edward Farley, Assistant Inspector General for Inspections and Evaluations (I&E), with the name and email address of the person who will serve as the primary point of contact at DHCD during the review process. He can be reached at (202) 727-9249 or edward.farley@dc.gov.

Also, please provide the following information to Mr. Farley no later than November 12, 2021, so that the I&E team can prepare its fieldwork methodology and plan:


¹ "Internal control" is defined by the U.S. Government Accountability Office (GAO) as comprising "the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity" and is "not one event, but a series of actions that occur throughout an entity's operations." Furthermore, internal control is a process that provides "reasonable assurance that the objectives of an entity will be achieved," "serves as the first line of defense in safeguarding assets," and is an "integral part of the operational processes management uses to guide its operations: U.S. GOV'T ACCOUNTABILITY OFFICE, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT 5-6, GAO-I 4-704G (Sept. 2014).

² Available at <http://oig.dc.gov>.

- an electronic copy (i.e., PDF) of DHCD's current contract (and all modifications) with Tax Credit Asset Management (TCAM);
- an electronic copy of any other contracts (and all modifications) between DHCD and TCAM that were in effect on or after October 1, 2018;
- an electronic copy of all other contracts (and all modifications) for loan servicing and/or asset management services that were in effect on or after October 1, 2018 (e.g., DHCD's contract with AmeriNational Community Services, Inc.);
- any DHCD policies and procedures pertaining to the administration of loan servicing or asset management services contracts;
- a list of current DHCD employees responsible for administering or monitoring loan servicing or asset management services contracts, to include each person's name, title, email address, and a brief description of their duties; and
- any other documentation or information you believe would assist the review team.

Mr. Farley will schedule an entrance conference with the point of contact you identify. Thank you in advance for your cooperation, and I look forward to working with DHCD in our joint efforts to improve the quality of services provided to the District.

Sincerely,


Daniel W. Lucas
Inspector General

DWL/ef

cc: The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish (via email)
Mr. Kevin Donahue, City Administrator, District of Columbia (via email)
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
The Honorable Anita Bonds, Chairperson, Committee on Housing and Executive Administration, Council of the District of Columbia
The Honorable Robert C. White, Jr., Chairperson, Committee on Government Operations and Facilities, Council of the District of Columbia
The Honorable Kathy Patterson, District of Columbia Auditor, Office of the D.C. Auditor