

SEAN P. DUFFY
7TH DISTRICT, WISCONSIN



COMMITTEE ON
FINANCIAL SERVICES
SUBCOMMITTEES:
CHAIRMAN, OVERSIGHT
AND INVESTIGATIONS
CAPITAL MARKETS AND
GOVERNMENT SPONSORED ENTERPRISES

WASHINGTON
1208 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4907
PH: (202) 225-3365 • TOLL-FREE: 1-855-585-4251
WEBSITE: duffy.house.gov

Congress of the United States
House of Representatives

September 28, 2016

The Honorable Julián Castro
Secretary
Department of Housing and Urban Development
451 7th Street, NW
Washington, D.C. 20410

Dear Secretary Castro,

On behalf of tribal members in my district, I am troubled by recent reports that millions of dollars in grants given by the Department of Housing and Urban Development (HUD) to tribes in Wisconsin may not be reaching those in need¹.

As part of an investigation into the finances of the St. Croix Chippewa Indians of Wisconsin, the Wisconsin Policy Research Institute examined audits conducted in 2014² and 2015³ of the St. Croix Chippewa Housing Authority, which received \$2.3 million in federal housing grants. The 2015 audit identified more than \$776,000 that will be “doubtfully collected” from Housing Authority tenants out of more than \$924,000 owed. Additionally, of amounts received from HUD’s Indian Housing Block Grant (IHBG) Program, the audit found that the Housing Authority “lack[ed] documentation to support the procurement process was carried out pursuant to IHBG rules and regulations” for more than \$308,000 disbursed by the Housing Authority. This was a repeat finding from the 2014 audit, which found similar improprieties totaling more than \$444,000. Another \$23,000 was disbursed to individuals who lacked documentation to determine whether they were eligible for assistance.

These findings raise serious questions about the use of federal taxpayer dollars and whether such funds are getting to the tribal members who deserve and need assistance. Accordingly, I request answers to the following questions:

¹ Dave Daley, “While poverty persists for St. Croix Chippewa, tribe officials misuse federal funds, audit shows,” *Wisconsin Policy Research Institute*, available at: <http://www.wpri.org/WPRI/Commentary/While-poverty-persists-for-St.-Croix-Chippewa-tribe-officials-misuse-federal-funds-audit-shows.htm>.

² Melissa B. Petersen, CPA, St. Croix Chippewa Housing Authority Audited Financial Statements and OMB A-133 Single Audit, March 31, 2014, available at: <http://www.wpri.org/WPRI-Files/Federalism/St/St.Croix-2014housingaudit.pdf>.

³ Melissa B. Petersen, CPA, St. Croix Chippewa Housing Authority Audited Financial Statements and OMB A-133 Single Audit, March 31, 2015, available at: <http://www.wpri.org/WPRI-Files/Federalism/St/St.Croix-2015housingaudit.pdf>.

The Honorable Julián Castro


September 28, 2016

Page 2

- 1) Is HUD aware of the 2014 and 2015 audits and in contact with the tribe about their findings and recommendations? If so, what actions has HUD taken?
- 2) How does HUD monitor the disbursement of IHBG and other federal dollars to ensure that resources are properly administered, allocated and accounted for by tribes?
- 3) What impact, if any, do the audit's findings have on current and future HUD financial support to the tribe?

Thank you for your attention for this matter. I respectfully request a response by not later than October 10, 2016.

Sincerely,



Sean Duffy
Member of Congress