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OA/ID Number: 40924
Folder ID Number: 40924-002

Folder Title:
[Memos and Correspondence] 12/91 [2]

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File

Revised 12/18/91 8:00 pm

Hold for Review

PRELIMINARY OUTLINE SCHEDULE

Sunday, December 29, 1991

GUEST AND STAFF INSTRUCTIONS:

7:00 pm **Baggage Call.** Please place all unlocked baggage outside Room 89, O.E.O.B., at this time.

Monday, December 30, 1991

GUEST AND STAFF INSTRUCTIONS:

3:00 am **Baggage Call.** Please place all unlocked baggage outside Room 89, O.E.O.B., at this time.

5:45 am Vans depart West Basement en route Andrews Air Force Base.

5:45 am Those with own transportation and baggage should arrive Andrews Air Force Base, Distinguished Visitor's Lounge, at this time.

6:05 am Those with own transportation without baggage should arrive Andrews Air Force Base, Distinguished Visitor's Lounge, at this time.

6:30 am MARINE ONE departs White House en route Andrews Air Force Base.

(Flying Time: 10 Minutes)

6:40 am MARINE ONE arrives Andrews Air Force Base.

6:50 am AIR FORCE ONE departs Andrews Air Force Base en
(E.S.T.) route Hickam Air Force Base, Honolulu, Hawaii.

(Flying Time: 10 Hours)
(Time Change: Back 5 Hours)
(Interchange: No)

11:50 am AIR FORCE ONE arrives Hickam Air Force Base,
Honolulu, Hawaii.

(Refueling Time: 1 Hour 30 Minutes)

1:20 pm AIR FORCE ONE departs Honolulu, Hawaii en route
Sydney, Australia.

(Flying Time: 9 Hours 40 Minutes)
(Time Change: Ahead 21 Hours)
(Interchange: No)

Tuesday, December 31, 1991

8:00 pm AIR FORCE ONE arrives Qantas Jet Base, Kingsford-
Smith Airport, Sydney, Australia.

8:10 pm MOTORCADE departs Kingsford-Smith Airport
en route Ritz-Carlton Hotel.

(Drive Time: 20 Minutes)

8:30 pm MOTORCADE arrives Ritz-Carlton Hotel.

RON Sydney, Australia

Wednesday, January 1, 1992

* PRIVATE TIME
(8:00 am - 11:10 am)

(B) * AMERICAN CONSULATE STAFF GREETING
- Closed Press
(11:15 am - 11:35 am)

11:45 am MOTORCADE departs Ritz-Carlton Hotel
en route National Maritime Museum.

(Drive Time: 10 Minutes)

11:55 am MOTORCADE arrives National Maritime Museum.

(B) * VISIT NATIONAL MARITIME MUSEUM
(D) - Open Press
 - Brief Remarks
 (12:00 pm - 12:35 pm)

12:40 pm (D) MOTORCADE departs National Maritime Museum en
route Sydney Opera House Dock.

(Drive Time: 10 Minutes)

12:50 pm MOTORCADE arrives Sydney Opera House Dock.

12:55 pm BOAT departs Sydney Opera House Dock.

(B) * LUNCHEON CRUISE
(D) - Travel Pool
 - Toast
 (1:00 pm - 2:30 pm)

2:35 pm BOAT arrives Sydney Opera House Dock.

2:40 pm (D) MOTORCADE departs Sydney Opera House Dock en
route Kingsford-Smith Airport.

(Drive Time: 20 Minutes)

3:00 pm MOTORCADE arrives Kingsford-Smith Airport.

3:05 pm AIR FORCE ONE departs Sydney, Australia en route
Canberra, Australia.

(Flying Time: 45 Minutes)
(Time Change: None)
(Interchange: No)

3:50 pm AIR FORCE ONE arrives RAAF Base Fairbairn,
Australia.

 (B) * ARRIVAL CEREMONY
 - Open Press
 (3:55 pm - 4:05 pm)

4:10 pm MOTORCADE departs RAAF Base Fairbairn en route
Ambassador's Residence.

 (Drive Time: 10 Minutes)

4:20 pm MOTORCADE arrives Ambassador's Residence.

 (B) * AMERICAN EMBASSY COMMUNITY GREETING
 - Closed Press
 - Tree Planting
 (4:25 pm - 4:55 pm)

 * PRIVATE TIME
 (5:00 pm - 6:45 pm)

6:50 pm MOTORCADE departs Ambassador's Residence en route
Government House.

 (Drive Time: 10 Minutes)

7:00 pm MOTORCADE arrives Government House.

 (B) * DINNER HOSTED BY GOVERNOR-GENERAL HAYDEN
 - Photo Opportunity (at beg. only)
 - Black Tie
 (7:05 pm - 9:30 pm)

9:35 pm MOTORCADE departs Government House
en route Ambassador's Residence.

 (Drive Time: 10 Minutes)

9:45 pm MOTORCADE arrives Ambassador's Residence.

RON Canberra, Australia

Thursday, January 2, 1992

9:05 am MOTORCADE departs Ambassador's Residence en route
Parliament House.

(Drive Time: 5 Minutes)

9:10 am MOTORCADE arrives Parliament House.

- * ONE ON ONE MEETING WITH PRIME MINISTER HAWKE
 - Photo Opportunity (at beg. only)
 (9:15 am - 10:15 am)
- * ROUNDTABLE DISCUSSION WITH AUSTRALIAN CABINET
 - Photo Opportunity (at beg. only)
 (10:20 am - 10:55 am)
- * COURTESY CALL BY OPPOSITION LEADER
 - Photo Opportunity (at beg. only)
 (11:00 am - 11:25 am)
- (D) * DROP-BY PRESIDENTIAL BUSINESS DELEGATION
 MEETING
 - Photo Opportunity (at beg. only)
 (11:30 am - 11:50 am)
- * MEETING WITH REPRESENTATIVES OF RURAL
 ORGANIZATIONS
 - Photo Opportunity (at beg. only)
 (11:55 am - 12:25 pm)
- * WORKING LUNCH HOSTED BY PRIME MINISTER HAWKE
 - Closed Press
 (12:30 pm - 1:55 pm)
- (B) * ADDRESS AUSTRALIAN PARLIAMENT
- (D) - Expanded Pool
 - Remarks
 (2:05 pm - 2:35 pm)

2:40 pm MOTORCADE departs Parliament House en route
Ambassador's Residence.

(Drive Time: 5 Minutes)

2:45 pm MOTORCADE arrives Ambassador's Residence.

 (B) * MEETING WITH ACADEMIC COMMUNITY
 - Closed Press
 (2:50 pm - 3:20 pm)

3:30 pm MOTORCADE departs Ambassador's Residence
 en route Parliament House.

 (Drive Time: 5 Minutes)

3:35 pm MOTORCADE arrives Parliament House.

 (B) * JOINT PRESS AVAILABILITY
 (D) - Open Press
 - Opening Statements
 - Question and Answer Session
 (3:40 pm - 4:10 pm)

4:15 pm MOTORCADE departs Parliament House
 en route Ambassador's Residence.

 (Drive Time: 5 Minutes)

4:20 pm MOTORCADE arrives Ambassador's Residence.

 * PRIVATE TIME
 (4:25 pm - 6:50 pm)

6:55 pm MOTORCADE departs Ambassador's Residence
 en route Parliament House.

 (Drive Time: 5 Minutes)

7:00 pm MOTORCADE arrives Parliament House.

 (B) * DINNER HOSTED BY PRIME MINISTER HAWKE
 (D) - Travel Pool
 - Toast
 (7:05 pm - 9:30 pm)

9:35 pm MOTORCADE departs Parliament House en route
Ambassador's Residence.

(Drive Time: 5 Minutes)

9:40 pm MOTORCADE arrives Ambassador's Residence.

RON Canberra, Australia

Friday, January 3, 1992

8:10 am MOTORCADE departs Ambassador's Residence
en route Australian War Memorial.

(Drive Time: 10 Minutes)

8:20 am MOTORCADE arrives Australian War Memorial.

(B) * WREATH-LAYING CEREMONY
 - Expanded Pool
 (8:25 am - 8:40 am)

8:45 am MOTORCADE departs Australian War Memorial
en route RAAF Base Fairbairn.

(Drive Time: 10 Minutes)

8:55 am MOTORCADE arrives RAAF Base Fairbairn.

9:00 am AIR FORCE ONE departs Canberra, Australia
en route Melbourne, Australia.

(Flying Time: 1 Hour 30 Minutes)
(Time Change: None)
(Interchange: Yes/Back-Up)

10:30 am AIR FORCE ONE arrives Melbourne Airport,
Melbourne, Australia.

10:40 am (D) MOTORCADE departs Melbourne Airport
en route TBD Site.

(Drive Time: 20 Minutes)

11:00 am MOTORCADE arrives TBD Site.

(D) * ROUNDTABLE MEETING WITH U.S. AND AUSTRALIAN
BUSINESS LEADERS
- Photo Opportunity (at beg. only)
(11:05 am - 11:35 am)

(D) * ADDRESS U.S. AND AUSTRALIAN COMMUNITY LEADERS
- Open Press
- Remarks/Teleprompter
(11:45 am - 1:00 pm)

(B) * RECEPTION WITH CORAL SEA COMMEMORATIVE
COUNCIL
- Closed Press
(1:05 pm - 1:25 pm)

(B) * AMERICAN CONSULATE STAFF GREETING
- Closed Press
(1:30 pm - 1:45 pm)

1:50 pm MOTORCADE departs TBD Site en route Melbourne
Airport.

(Drive Time: 20 Minutes)

2:10 pm MOTORCADE arrives Melbourne Airport.

2:15 pm AIR FORCE ONE departs Melbourne, Australia en
route Singapore.

(Flying Time: 7 Hours 30 Minutes)
(Time Change: Back 3 Hours)
(Interchange: No)

6:45 pm AIR FORCE ONE arrives Changi International
Airport, Singapore.

6:50 pm MOTORCADE departs Changi International Airport en route Shangri-La Hotel.

(Drive Time: 25 Minutes)

7:15 pm MOTORCADE arrives Shangri-La Hotel.

RON Singapore

Saturday, January 4, 1992

8:15 am MOTORCADE departs Shangri-La Hotel en route Raffles Hotel.

(Drive Time: 10 Minutes)

8:25 am MOTORCADE arrives Raffles Hotel.

* WORKING BREAKFAST WITH LEE KUAN YEW
 - Photo Opportunity (at beg. only)
 (8:30 am - 9:45 am)

9:50 am MOTORCADE departs Raffles Hotel en route Istana Palace.

(Drive Time: 5 Minutes)

9:55 am MOTORCADE arrives Istana Palace.

(B) * ARRIVAL CEREMONY
 - Open Press
 - Troop Review
 (10:00 am - 10:15 am)

(B) * COURTESY CALL ON WEE KIM WEE
 - Photo Opportunity (at beg. only)
 (10:20 am - 10:35 am)

* ONE ON ONE MEETING WITH PRIME MINISTER GOH
 - Photo Opportunity (at beg. only)
 (10:40 am - 11:10 am)

(D) * DROP-BY PRESIDENTIAL BUSINESS DELEGATION MEETING
 - Photo Opportunity (at beg. only)
 (11:15 am - 11:35 am)

* EXPANDED BILATERAL MEETING
 - Photo Opportunity (at beg. only)
 (11:40 am - 12:25 pm)

(D) * JOINT PRESS AVAILABILITY
 - Open Press
 - Opening Statements
 - Question and Answer Session
 (12:35 pm - 12:55 pm)

1:00 pm (D) MOTORCADE departs Istana Palace en route Westin Stamford Hotel.
 (Drive Time: 5 Minutes)

1:05 pm MOTORCADE arrives Westin Stamford Hotel.

(D) * LUNCH WITH BUSINESS ROUNDTABLE
 - Photo Opportunity (at beg. only)
 (1:10 pm - 2:25 pm)

(D) * MEETING WITH ASEAN BUSINESS COUNCIL
 - Photo Opportunity (at beg. only)
 (2:30 pm - 2:50 pm)

(D) * ADDRESS SINGAPORE LECTURE GROUP
 - Open Press
 - Remarks/Teleprompter
 - Question and Answer Session
 (2:55 pm - 3:40 pm)

3:45 pm MOTORCADE departs Westin Stamford Hotel en route New Chancery Site.
 (Drive Time: 10 Minutes)

3:55 pm MOTORCADE arrives New Chancery Site.

(B) * AMERICAN EMBASSY COMMUNITY GREETING
 - Open Press
 - Brief Remarks
 - Groundbreaking
 (4:00 pm - 5:00 pm)

5:05 pm MOTORCADE departs New Chancery Site
en route Shangri-La Hotel.

 (Drive Time: 5 Minutes)

5:10 pm MOTORCADE arrives Shangri-La Hotel.

 * PRIVATE TIME
 (5:15 pm - 6:40 pm)

6:45 pm MOTORCADE departs Shangri-La Hotel en route
Westin Plaza Hotel.

 (Drive Time: 10 Minutes)

6:55 pm MOTORCADE arrives Westin Plaza Hotel.

 (B) * STATE DINNER HOSTED BY PRESIDENT WEE
 (D) - Travel Pool (for Toasts only)
 - Toast
 (7:00 pm - 9:00 pm)

9:05 pm (D) MOTORCADE departs Westin Plaza Hotel en route
Shangri-La Hotel.

 (Drive Time: 10 Minutes)

9:15 pm MOTORCADE arrives Shangri-La Hotel.

RON Singapore

Sunday, January 5, 1992

 * COFFEE WITH ASEAN AMBASSADORS
 - Photo Opportunity (at beginning only)
 (7:50 am - 8:10 am)

8:15 am (D) MOTORCADE departs Shangri-La Hotel en route
Changi International Airport.

 (Drive Time: 25 Minutes)

8:40 am MOTORCADE arrives Changi International Airport.

(B) * VIEW STATIC DISPLAY OF AIRCRAFT
(D) - Travel Pool
(8:45 am - 8:55 am)

9:00 am AIR FORCE ONE departs Singapore en route Seoul, Korea.

(Flying Time: 5 Hours 30 Minutes)
(Time Change: Ahead 1 Hour)
(Interchange: No)

3:30 pm AIR FORCE ONE arrives K-16 Airport, Seoul, Korea.

3:40 pm MARINE ONE departs K-16 Airport en route National Cemetery Landing Zone.

(Flying Time: 15 Minutes)

3:55 pm MARINE ONE arrives National Cemetery Landing Zone.

(B) * WREATH-LAYING CEREMONY
- Expanded Pool
(4:00 pm - 4:10 pm)

4:15 pm MOTORCADE departs National Cemetery Landing Zone en route Ambassador's Residence.

(Drive Time: 15 Minutes)

4:30 pm MOTORCADE arrives Ambassador's Residence.

* PRIVATE TIME
(4:35 pm - 5:15 pm)

5:20 pm MOTORCADE departs Ambassador's Residence en route Blue House.

(Drive Time: 10 Minutes)

5:30 pm MOTORCADE arrives Blue House.

- * PRIVATE TIME WITH PRESIDENT ROH
- Closed Press
(5:35 pm - 7:25 pm)
- (B) * PRIVATE DINNER WITH PRESIDENT ROH
- Closed Press
(7:30 pm - 9:00 pm)

9:05 pm MOTORCADE departs Blue House en route
Ambassador's Residence.

(Drive Time: 10 Minutes)

9:15 pm MOTORCADE arrives Ambassador's Residence.

RON Seoul, Korea

Monday, January 6, 1992

7:40 am MOTORCADE departs Ambassador's Residence
en route Hotel Shilla.

(Drive Time: 15 Minutes)

7:55 am MOTORCADE arrives Hotel Shilla.

- (D) * WORKING BREAKFAST WITH U.S. AND KOREAN
BUSINESS GROUP
- Photo Opportunity (at beg. only)
(8:00 am - 9:00 am)

9:05 am (D) MOTORCADE departs Hotel Shilla en route Blue
House.

(Drive Time: 15 Minutes)

9:20 am MOTORCADE arrives Blue House.

- (B) * ARRIVAL CEREMONY
- (D) - Open Press
- Troop Review/National Anthems
(9:30 am - 9:50 am)

* ONE ON ONE MEETING WITH PRESIDENT ROH
 - Photo Opportunity (at beg. only)
 (10:00 am - 10:30 am)

(D) * DROP-BY PRESIDENTIAL BUSINESS DELEGATION
 - Photo Opportunity (at beg. only)
 (10:35 am - 10:55 am)

* EXPANDED BILATERAL MEETING
 - Photo Opportunity (at beg. only)
 (11:00 am - 11:30 am)

(D) * JOINT PRESS AVAILABILITY
 - Expanded Pool
 - Opening Statements
 - Question and Answer Session
 (11:40 am - 12:00 pm)

12:05 pm (D) MOTORCADE departs Blue House en route
 TBD Hotel.

 (Drive Time: 15 Minutes)

12:20 pm MOTORCADE arrives TBD Hotel.

(D) * LUNCH HOSTED BY U.S. CHAMBER OF COMMERCE
 - Open Press
 - Remarks/Teleprompter
 (12:25 pm - 1:15 pm)

1:20 pm (D) MOTORCADE departs TBD Hotel en route National
 Assembly.

 (Drive Time: 10 Minutes)

1:30 pm MOTORCADE arrives National Assembly.

* GREET LEADERSHIP OF NATIONAL ASSEMBLY
 - Closed Press
 (1:35 pm - 1:45 pm)

(B) * ADDRESS NATIONAL ASSEMBLY OF THE REPUBLIC OF
 (D) KOREA
 - Expanded Pool
 - Remarks/Teleprompter
 (1:55 pm - 2:35 pm)

2:40 pm (D) MOTORCADE departs National Assembly en route
Yongsan.

(Drive Time: 20 Minutes)

3:00 pm MOTORCADE arrives Yongsan.

(B) * AMERICAN COMMUNITY/MILITARY GREETING
(D) - Open Press
- Brief Remarks
(3:05 pm - 3:35 pm)

3:40 pm MOTORCADE departs Yongsan en route
Ambassador's Residence.

(Drive Time: 5 Minutes)

3:45 pm MOTORCADE arrives Ambassador's Residence.

* PRIVATE TIME
(3:50 pm - 7:10 pm)

7:15 pm MOTORCADE departs Ambassador's Residence
en route Blue House.

(Drive Time: 10 Minutes)

7:25 pm MOTORCADE arrives Blue House.

(B) * STATE DINNER
(D) - Expanded Pool
- Toast
(7:30 pm - 9:00 pm)

9:05 pm MOTORCADE departs Blue House en route Ambassador's
Residence.

(Drive Time: 10 Minutes)

9:15 pm MOTORCADE arrives Ambassador's Residence.

RON Seoul, Korea

Tuesday, January 7, 1992

9:00 am MOTORCADE departs Ambassador's Residence
 en route Yongsan Landing Zone.

 (Drive Time: 10 Minutes)

9:10 am MOTORCADE arrives Yongsan Landing Zone.

9:15 am MARINE ONE departs Yongsan Landing Zone
 en route K-16 Airport.

 (Flying Time: 15 Minutes)

9:30 am MARINE ONE arrives K-16 Airport.

9:40 am (D) AIR FORCE ONE departs Seoul, Korea en route
 Osaka, Japan.

 (Flying Time: 1 Hour 15 Minutes)
 (Time Change: None)
 (Interchange: No)

10:55 am AIR FORCE ONE arrives Itami Airport, Osaka,
 Japan.

11:05 am MARINE ONE departs Osaka, Japan en route Kyoto,
 Japan.

 (Flying Time: 15 Minutes)

11:20 am MARINE ONE arrives Imperial Palace Landing Zone,
 Kyoto, Japan.

11:25 am MOTORCADE departs Imperial Palace Landing
 Zone en route Kyoto Imperial Palace.

 (Drive Time: 2 Minutes)

11:27 am MOTORCADE arrives Kyoto Imperial Palace.

- (B) * VISIT ENTHRONEMENT ROOM
- Travel Pool
(11:30 am - 11:35 am)
- (B) * VIEW SPORTS EXHIBITION
- Travel Pool
(11:40 am - 11:45 am)
- (B) * TOUR OF IMPERIAL PALACE GARDENS
- Closed Press
(11:50 am - 12:00 pm)

12:05 pm MOTORCADE departs Kyoto Imperial Palace en route
Tsuruya Restaurant.

(Drive Time: 10 Minutes)

12:15 pm MOTORCADE arrives Tsuruya Restaurant.

- (B) * PRIVATE LUNCH WITH FORMER PRIME
MINISTER KAIFU
- Photo Opportunity (at beg. only)
(12:20 pm - 1:50 pm)

1:55 pm MOTORCADE departs Tsuruya Restaurant en route
Kyoto Imperial Palace.

(Drive Time: 10 Minutes)

2:05 pm MOTORCADE arrives Kyoto Imperial Palace.

- (B) * ADDRESS U.S. AND JAPANESE STUDENTS
- Expanded Pool
- Brief Remarks
- Toast Lectern
(2:10 pm - 2:40 pm)

2:45 pm MOTORCADE departs Kyoto Imperial Palace en route
Imperial Palace Landing Zone.

(Drive Time: 5 Minutes)

2:50 pm MOTORCADE arrives Imperial Palace Landing Zone.

2:55 pm MARINE ONE departs Kyoto, Japan en route Nara,
Japan.

 (Flying Time: 20 Minutes)

3:15 pm MARINE ONE arrives Landing Zone, Nara, Japan.

3:20 pm MOTORCADE departs Landing Zone en route
Toys-R-Us Store.

 (Drive Time: 15 Minutes)

3:35 pm MOTORCADE arrives Toys-R-Us Store.

 (B) * VISIT TOYS-R-US STORE
 - Open Press
 - Remarks
 - Ribbon Cutting
 (3:40 pm - 4:10 pm)

4:15 pm MOTORCADE departs Toys-R-Us Store en
route Landing Zone.

 (Drive Time: 15 Minutes)

4:30 pm MOTORCADE arrives Landing Zone.

4:35 pm MARINE ONE departs Nara, Japan en route
Osaka, Japan.

 (Flying Time: 20 Minutes)

4:55 pm MARINE ONE arrives Itami Airport, Osaka, Japan.

5:05 pm (D) AIR FORCE ONE departs Osaka, Japan en route Tokyo,
Japan.

 (Flying Time: 1 Hour 30 Minutes)
 (Time Change: None)
 (Interchange: Yes)

6:35 pm AIR FORCE ONE arrives Haneda International
Airport.

6:45 pm MARINE ONE departs Haneda International Airport en
route Akasaka Palace.

 (Flying Time: 15 Minutes)

7:00 pm MARINE ONE arrives Akasaka Palace.

 RON Tokyo, Japan

Wednesday, January 8, 1992

 (B) * ARRIVAL CEREMONY
 (D) - Open Press
 - Troop Review
 (10:00 am - 10:25 am)

10:30 am MOTORCADE departs Akasaka Palace en route Imperial
Palace.

 (Drive Time: 5 Minutes)

10:35 am MOTORCADE arrives Imperial Palace.

 (B) * COURTESY CALL ON EMPEROR AKIHITO
 - Photo Opportunity (at beginning only)
 (10:40 am - 11:20 am)

11:25 am MOTORCADE departs Imperial Palace en route
Akasaka Palace.

 (Drive Time: 5 Minutes)

11:30 am MOTORCADE arrives Akasaka Palace.

 * ONE ON ONE BILATERAL MEETING WITH PRIME
 MINISTER MIYAZAWA
 - Photo Opportunity (at beginning only)
 (11:35 am - 12:05 pm)

- (D) * DROP-BY PRESIDENTIAL BUSINESS DELEGATION MEETING
 - Photo Opportunity (at beginning only)
 - (12:10 pm - 12:30 pm)
- * EXPANDED BILATERAL MEETING
 - Photo Opportunity (at beginning only)
 - (12:35 pm - 1:35 pm)
- * WORKING LUNCH WITH PRIME MINISTER MIYAZAWA
 - Closed Press
 - (1:40 pm - 2:55 pm)
- * PRIVATE TIME
 - (3:00 pm - 3:15 pm)
- * VISIT TOGU PALACE
 - Closed Press
 - (3:20 pm - 4:20 pm)
- * PRIVATE TIME
 - (4:25 pm - 6:55 pm)
- (B) * DINNER HOSTED BY PRIME MINISTER MIYAZAWA
 - (D) - Travel Pool (at beginning and Toasts only)
 - Toast
 - (7:00 pm - 9:00 pm)

RON Tokyo, Japan

Thursday, January 9, 1992

7:50 am MOTORCADE departs Akasaka Palace en route Okura Hotel.

(Drive Time: 5 Minutes)

7:55 am MOTORCADE arrives Okura Hotel.

- (D) * BREAKFAST WITH U.S. AND JAPANESE BUSINESS LEADERS
 - Travel Pool
 - Brief Remarks
 - (8:00 am - 9:00 am)

9:05 am MOTORCADE departs Okura Hotel en route
Akasaka Palace.

 (Drive Time: 5 Minutes)

9:10 am MOTORCADE arrives Akasaka Palace.

 * EXPANDED BILATERAL MEETING
 - Photo Opportunity (at beg. only)
 (9:15 am - 10:15 am)

 * JOINT PRESS AVAILABILITY
(D) - Expanded Pool
 - Opening Statements
 - Question and Answer Session
 - Toast Lectern
 (10:30 am - 11:15 am)

11:20 am (D) MOTORCADE departs Akasaka Palace
en route Akasaka Prince Hotel.

 (Drive Time: 5 Minutes)

11:25 am MOTORCADE arrives Akasaka Prince Hotel.

 * LUNCH WITH JAPANESE WELCOMING COMMITTEE
(D) - Open Press
 - Remarks/Teleprompter
 (11:30 am - 1:00 pm)

1:05 pm MOTORCADE departs Akasaka Prince Hotel en route
Akasaka Palace Landing Zone.

 (Drive Time: 5 Minutes)

1:10 pm MOTORCADE arrives Akasaka Palace Landing Zone.

1:15 pm MARINE ONE departs Akasaka Palace Landing Zone
en route Kodak Landing Zone.

 (Flying Time: 15 Minutes)

1:30 pm MARINE ONE arrives Kodak Landing Zone.

1:35 pm MOTORCADE departs Kodak Landing Zone en route
Kodak Facility.

(Drive Time: 5 Minutes)

1:40 pm MOTORCADE arrives Kodak Facility.

* VISIT KODAK LABORATORY
 - Travel Pool
 (1:45 pm - 2:05 pm)

* COFFEE BREAK WITH KODAK EMPLOYEES
 - Photo Opportunity (at beg. only)
 (2:10 pm - 2:25 pm)

* REMARKS TO KODAK EMPLOYEES AND U.S. BUSINESS
 LEADERS
 - Expanded Pool
 - Brief Remarks
 (2:30 pm - 2:50 pm)

2:55 pm MOTORCADE departs Kodak Plant en route Kodak
Landing Zone.

(Drive Time: 5 Minutes)

3:00 pm MOTORCADE arrives Kodak Landing Zone.

3:05 pm MARINE ONE departs Kodak Landing Zone
en route Akasaka Palace Landing Zone.

(Flying Time: 15 Minutes)

3:20 pm MARINE ONE arrives Akasaka Palace Landing Zone.

* PRIVATE TIME
 (3:25 pm - 6:45 pm)

6:50 pm MOTORCADE departs Akasaka Palace en route
Imperial Palace.

6:55 pm MOTORCADE arrives Imperial Palace.

- (B) * STATE DINNER HOSTED BY EMPEROR AKIHITO
- Travel Pool (at beginning and Toasts only)
- Toast/Remarks
- Black Tie
(7:00 pm - 9:45 pm)

9:50 pm MOTORCADE departs Imperial Palace en route
Akasaka Palace.

(Drive Time: 5 Minutes)

9:55 pm MOTORCADE arrives Akasaka Palace.

RON Tokyo, Japan

Friday, January 10, 1992

8:20 am MOTORCADE departs Akasaka Palace en route U.S.
Embassy.

(Drive Time: 5 Minutes)

8:25 am MOTORCADE arrives U.S. Embassy.

- (B) * AMERICAN EMBASSY COMMUNITY GREETING
- Closed Press
(8:30 am - 9:05 am)

9:10 am MOTORCADE departs U.S. Embassy
en route Akasaka Palace.

(Drive Time: 5 Minutes)

9:15 am MOTORCADE arrives Akasaka Palace.

- (B) * FAREWELL CALL BY EMPEROR AKIHITO
(9:20 am - 9:55 am)

10:00 am MARINE ONE departs Akasaka Palace Landing
Zone en route Haneda Airport.

(Flying Time: 15 Minutes)

10:15 am MARINE ONE arrives Haneda Airport.

10:25 am AIR FORCE ONE departs Tokyo, Japan en route
Andrews Air Force Base.

 (Flying Time: 12 Hours)
 (Time Change: Back 14 Hours)
 (Interchange: TBD)

8:25 am AIR FORCE ONE arrives Andrews Air Force Base.
(E.S.T.)

8:35 am MARINE ONE departs Andrews Air Force Base
en route White House.

 (Flying Time: 10 Minutes)

8:45 am MARINE ONE arrives White House.

BUDGET REVIEW MEETINGS WITH THE PRESIDENT

CORE GROUP (all meetings)

President
Vice President
Skinner
Brady
Darman
Boskin
Porter
Teeter (if OK)

OTHER INVITEES

TBD Case-by-Case

<u>TOPICS</u>	<u>MINIMUM TIME REQUIRED</u>	<u>REQUESTED DATE/TIME</u>
(1) Initiatives Overview	1 hour	Mon, 16th
(2) "Mandatory" Programs and Pay-as-you-Go	1 hour	Mon, 16th
(3) Growth Package and Revenues	1 1/2 hour	Tue, 17th
(4) Health	1 hour	Wed, 18th
(5) Health	1 hour	Wed, 19th
(6) Freeze Appeals	1 hour	Mon, 23rd
(7) Freeze Appeals	1 hour	Mon, 23rd
(8) Summary Review	1 hour	Tue, 24th

No
Sooner
than

NOTES: (a) President departs for Camp David Monday afternoon, December 23, and is essentially gone until January 10.

(b) Final agency budget data must lock by January 3 to meet present State of the Union/Budget schedule.

THE WHITE HOUSE
WASHINGTON

DCF.
12/19

DATE: 12/19/91

NOTE FOR: RON KAUFMAN

The President has reviewed the attached, and it is
forwarded to you for your:

Information ☒

Action ☐

Thank you.

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
(x2702)

cc: Chief of Staff

Sent
12/23/91
To Bob
Tanner
6:00 PM
12/23/91
Sent
12/23/91
Sent
12/23/91



December 18, 1991

To: Ron Kaufman

Please let all the campaign people know that Dr. Koop is willing to go out and speak for us. He told me that yesterday at the White House reception.

GB December 18, 1991

GB

FROM THE PRESIDENT



U. S. Department of Commerce
Office of the Secretary
Washington, D.C. 20230
(202) 377-2112



U.S. DEPARTMENT OF COMMERCE

TO: _____

FROM: _____

SUBJECT: _____

NO. OF PAGE _____

MESSAGE: _____

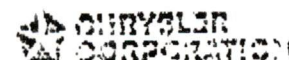
To : *Jeff Vogt*

From : Diane G. Terpeluk
Counsellor to the
Secretary

As we discussed —

DT

4561647



Lee A. Iacocca
Chairman of the Board
Chief Executive Officer

December 10, 1991

The Honorable George Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I consider it a high honor to be asked to participate in your upcoming trip to Japan, and I am eagerly looking forward to it.

I interpret your invitation to the Big Three CEOs as a strong signal from the administration to both Detroit and Tokyo that some fundamental changes in policies affecting U.S.-Japan auto trade are being considered, and I welcome that.

I also understand the diplomatic, economic and political difficulties of such an initiative. I'd like to do whatever I can to be supportive. Please don't hesitate to ask.

I am, for example, scheduled to speak to the Detroit Economic Club on January 10, just a few hours after returning from Tokyo. This speech traditionally kicks off the Detroit International Auto Show, and is heavily covered by the news media. Perhaps during the trip we could talk for a few minutes on how I might be helpful to you with this speech.

Again, I look forward to seeing you in Japan next month.

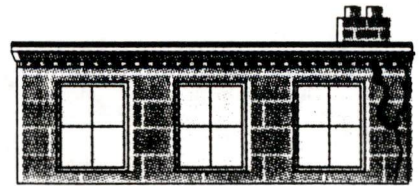
Sincerely,

Post-it brand fax transmittal memo 7671	# of pages (6)
To: Bob Perkins	From: Lee Iacocca
Co. Perkins	Co. Chrysler
Phone #	Fax #
Dept.	Fax #

free

Kemp blasts Congress for use of HUD funds

He calls spending on special projects 'scandalous'



UNFINISHED BUSINESS

The HUD scandal revisited

Fifth of six parts

By Craig Flournoy and Bobbi Miller

Staff Writers of The Dallas Morning News
© 1991, The Dallas Morning News

Favoritism in awarding federal housing funds has not died. It's moved, from the U.S. Department of Housing and Urban Development to Capitol Hill.

Two years ago Congress was outraged to learn that former HUD Secretary Samuel Pierce had used a \$56 million "discretionary" account to fund pet projects.

Today, HUD's 1992 budget includes \$150 million in "special-pur-

pose grants" for projects handpicked by select members of Congress.

"It is scandalous what Congress is getting away with," said HUD Secretary Jack Kemp. "I eliminated the discretionary account. But the politics has shifted from HUD to Capitol Hill. A lot of political special projects are in that (appropriations) bill, to the tune of \$150 million."

The money was taken out of HUD's Office of Housing, which normally provides rent subsidies for poor families. That \$150 million could have provided more than 26,000 families with rent subsidies for a year. Instead, Congress deemed Please see CONGRESS' on Page 28A.

Enforcement

HUD has failed to use tools at hand to deal with problems in its apartment renovation program. Millions of dollars in overcharges cited by auditors remain uncollected. No developers have been fined for substandard conditions. Many of the most costly projects have not been audited, and the worst conditions have not been addressed. HUD officials acknowledge problems but say they are working to solve them. A key congressman calls for further investigation.

- Much at HUD unchanged. 28A
- Big project's flaws. 29A
- Crime, crowding. 29A

ABOUT THE SERIES

The News' investigation of federal apartment renovation projects was conceived after staff writer Craig Flournoy wrote about the Pebble Creek Apartments in Arlington more than two years ago.

The complex is the nation's fourth-largest renovated through the U.S. Department of Housing and Urban Development's Section 8 Moderate Rehabilitation program. The Pebble Creek project benefited two political insiders and left almost 300 poor families living in overcrowded apartments in a crime-ridden neighborhood, at great expense to taxpayers.

The story of Pebble Creek, published in September 1989, led to a broader examination of the federal apartment renovation program.

Mr. Flournoy and staff writer Bobbi Miller investigated 95 projects completed by the top 24 mod rehab developers nationwide. The two reporters visited 42 apartment complexes in eight states, the District of Columbia and Puerto Rico. They interviewed more than 250 tenants and researched thousands of documents obtained under the U.S. Freedom of Information Act.



MOD REHAB

The Section 8 Moderate Rehabilitation program, funded by the U.S. Department of Housing and Urban Development, was eliminated in 1990, but 15-year subsidy contracts remain in effect. The program worked this way:

- Private developers renovated moderately run-down apartment buildings for rental to low-income people. Tenants pay no more than one-third of their income in rent; the federal government pays the rest.
- In return the government guarantees rent subsidies for 15 years. The subsidies, with regular rent increases, are set high enough to guarantee the developer a profit and cover the costs of renovation and management. Subsidized rents are set at least 20 percent above private market rates.
- Often, the developer also received income tax credits, which can be converted into cash.
- Subsidies granted to the top 24 developers participating in the program averaged \$102,608 per apartment, paid over 15 years.
- In addition, many of the developers also received federally backed loans to buy and renovate the apartments. The loans required minimal cash investment and entailed little financial risk for the developers, according to government records.

Continued from Page 1A.
these projects more worthy:

■ Two art projects in the Miami area costing \$3 million. U.S. Rep. William Lehman, a Florida Democrat who serves on the House Appropriations Committee, obtained \$2.5 million to expand a museum and cultural center and \$500,000 to renovate a performing arts center.

Aide John Schelble said Mr. Lehman was proud of the projects. "These are important projects that are greatly needed there," he said. "They are a good investment of tax dollars."

■ Development of a "technology incubator facility" for academic research into creation of manufacturing jobs in rural areas. The facility will be in Grand Forks, N.D. Cost: \$2 million.

■ Purchase and renovation of theater space in New York City at a cost of \$1.5 million. An aide to U.S. Rep. Bill Green, the senior Republican on the House Appropriations subcommittee that funds HUD, said the Manhattan lawmaker obtained the money for his congressional district.

■ Construction of a \$1 million parking garage in Ashland, Ky.

■ Renovation of an auditorium in Ypsilanti, Mich., at a cost of \$1 million.

■ A municipal bailout for Peoria,

Ill., the hometown of U.S. Rep. Bob Michel, the House minority leader. The HUD budget provided Peoria with \$5.9 million "to settle a dispute with the federal government" — that is, to pay off a loan to HUD. In announcing what was the largest special-purpose grant for 1992, Mr. Michel's office sent out a news release headlined "Michel Scores \$5.9 Million For Peoria."

Money for special-purpose grants has grown dramatically. In HUD's 1990 budget, Congress earmarked \$30 million for 40 projects. For 1992, Congress set aside \$150 million for 133 projects.

"Congressional favoritism is the biggest growth industry in housing," said HUD Deputy Secretary Alfred DelliBovi. "Instead of Sam Pierce . . . choosing what to do, we have a select group of people (in Congress) who make those choices and do it in the appropriations process."

Members of the House and Senate appropriations committees have included a list of special-purpose grants in HUD's budget since 1990. HUD officials said most of these projects are in the congressional districts of these same senators and representatives or are inserted as favors for other lawmakers.

"In my observation over the past few years, the vast majority are to

the benefit of Appropriations Committee members," said Mary Brunette, a top Kemp aide.

Ms. Brunette said that with one exception, all projects funded by HUD are chosen competitively, as required by the HUD Reform Act of 1989. The only exceptions, she said, are special-purpose grants.

"None of these projects have undergone any competition, and they have not undergone any review as to their relative merit or need," she said. "They are purely discretionary."

Congressional and HUD officials said the key players in determining who gets special-purpose grants are Sen. Barbara Mikulski, D-Md., and Rep. Bob Traxler, D-Mich., who head the Senate and House appropriations subcommittees that fund HUD.

Neither Ms. Mikulski nor Mr. Traxler would grant an interview to discuss special-purpose grants.

Bonnie Piper, an aide to Mr. Traxler, said, "He does not have any comment about it," and hung up the telephone.

John Steele, communications director for Ms. Mikulski, initially promised to discuss the matter with the senator but later did not return repeated phone calls.

Staff members on the House and

Senate appropriations committees defended the selection process. They acknowledged that individuals with access to members of Congress, particularly those on the appropriations panels, have the greatest chance of getting their projects approved.

But the aides, all of whom asked not to be identified, said the projects are thoroughly scrutinized and judged on objective criteria.

"It certainly is competitive," said one Senate aide. "They are based on merit and competition. And it's all done in an open and fair manner."

The most extensive report on the HUD scandal came to different conclusions.

The 271-page report, approved unanimously in 1990 by the 24 Democrats and 15 Republicans on the House Government Operations Committee, said Congress should immediately cease its handpicking of projects.

"Just as it was wrong for HUD under Secretary Pierce to dole out housing units and grants to former HUD officials and the politically well-connected . . . so too Congress should not earmark funding for housing projects in appropriations bills," the report said.

"This practice by Congress — which circumvents objective criteria, competition and merit — should

be ended."

Members of the congressional panel that produced the report and are responsible for overseeing HUD have not changed their minds about the need to eliminate legislative favoritism, according to the panel's staff director.

"It's just not right," said Stuart Weisberg, the top staff member for the House Employment and Housing Subcommittee.

The only competition for special-purpose grants, Mr. Weisberg said, is on the "insider level" between members of Congress. Their goal, he said, is to see "who can get the most projects."

Mr. Weisberg said the absence of competition means there is no way to determine whether the most deserving projects are funded.

"The problem," he said, "is when you have limited resources, are they the best projects?"

HUD officials said that by relying on a political competition to allocate special-purpose grants, Congress has increased the likelihood of approving questionable projects.

"What is the public policy goal that we're trying to meet through the expenditure of this \$150 million?" Ms. Brunette asked. "There really isn't one."

Problems persist at HUD

Enforcement lacking, agency records show

By Craig Flournoy and Bobbi Miller
Staff Writers of The Dallas Morning News



Special to The Dallas Morning News: Associated Press

HUD Secretary Jack Kemp says in an October interview that the agency has improved under his command. Officials in the U.S. General Accounting Office disagree.

Soon after taking over the U.S. Department of Housing and Urban Development, Jack Kemp promised a new, get-tough approach.

He pledged to "kick some tail" if he found that developers were treating poor tenants badly or abusing tax dollars.

HUD's actions seldom have carried the sting of Secretary Kemp's words.

A yearlong investigation by *The Dallas Morning News* found that HUD has failed to resolve, and in some cases even address, many of its most serious problems since Mr. Kemp took over in 1989.

Records and interviews show that over the past three years, HUD has been reluctant to penalize those who abuse federal tax dollars. And HUD officials, by their own account, have yet to deal with living conditions in the nation's 4.4 million subsidized apartments.

As a result, interviews and records show, tens of millions of tax dollars continue to be misspent while tens of thousands of poor families continue to live in substandard housing.

Housing advocates said that HUD under Mr. Kemp is not fundamentally different from the agency of his predecessor, Samuel Pierce.

In a report to Congress earlier this year, the U.S. General Accounting Office said the "underlying causes of HUD's problems . . . remain largely unresolved, leaving the agency susceptible to future fraud, waste, abuse and mismanagement."

In recent interviews, Mr. Kemp and his top aides said that under their leadership, the agency is not only different but significantly improved. They said the Kemp team has pushed for radical changes in housing policy, cracked down on those who abuse tax dollars and launched an unprecedented series of institutional reforms.

"What Jack Kemp and I are here are change managers, massive change managers," said HUD Deputy Secretary Alfred DelliBovi. The agency's No. 2 official said the Kemp team is "changing the way they really do business" at HUD.

The News found that in many areas of HUD, it's business as usual.

The inquiry drew on government and private audits, project reviews, reports by federal watchdog agencies and interviews with HUD officials, congressional staff members, advocates of low-income housing and tenants of HUD-subsidized apartments. Among the findings:

■ HUD has done little to correct substandard conditions in apartments renovated by the 24 top developers participating in the Section 8 Moderate Rehabilitation program.

In visits to 42 mod rehab projects, *The News* found that at least one-

third had problems that violated federal housing standards, ranging from rats and raw sewage to overcrowding. These projects were occupied overwhelmingly by minority families.

Several housing advocates and HUD professionals said the agency should undertake a nationwide review of conditions in light of *The News*' findings.

"It's shocking and it's outrageous," said Barry Zigas, president of the National Low-Income Housing Coalition in Washington, D.C. "There's too many people with desperate housing needs to be able to countenance any of it being spent on housing that's not decent, safe and sanitary."

Mr. Kemp said he, too, was outraged. He denounced substandard living conditions that often afflict minority tenants as "racist" and "deplorable."

Mr. Kemp and Mr. DelliBovi said improving housing quality is the fundamental issue they face. But Mr. DelliBovi said this would be the final step in the Kemp team's reform efforts.

"It's not until I get control and have the levers here that I can really affect quality," Mr. DelliBovi said. "That's frankly the last phase."

To date, HUD under Mr. Kemp has not canceled the contract of a single apartment renovation project for poor conditions.

■ HUD has not fined or suspended any of the top 24 developers for their handling of mod rehab projects, despite the agency's documented evidence that many provided substandard housing and overcharged taxpayers millions of dollars.

Madeline Hastings, director of HUD's Moderate Rehabilitation division in Washington, said that what the big developers did to taxpayers through mod rehab in the 1980s was unique.

"In my experience with HUD, I just never witnessed a rape of a program like what was going on during those years," said Ms. Hastings, a 28-year veteran of the housing agency.

Federal auditors have reviewed 45 projects owned by the biggest mod rehab developers. They found overcharges at 40. The overcharges total more than \$81 million. So far, less than half of this money has been recovered.

In addition, a special HUD review team has not audited dozens of the most richly subsidized projects despite Mr. Kemp's vow to have this completed by the spring of 1990.

Chris Greer, a top official in HUD's Office of Inspector General, the agency's internal watchdog, said

the inaction has sent a clear message to developers: "Crime pays."

■ Abuses of the \$3 billion-a-year Community Development Block Grant program show that HUD's lack of oversight extends beyond the mod rehab program.

Recent congressional hearings revealed that since Mr. Kemp took over HUD, local officials from New York to California have misused federal funds meant to help the poor — actions that often had the approval of HUD.

In October, congressional staffers reported that officials in Troy, N.Y., used \$1.6 million to start a professional hockey team.

And just outside Palm Springs, Calif., an affluent Indian tribe of fewer than 30 members used \$400,000 in community development funds to build an off-track betting facility. The top community development official at HUD headquarters approved the project.

HUD internal auditors told Congress they had found "significant abuses" in the community development program that cost taxpayers more than \$100 million in ineligible and questionable charges. But they said that HUD has been slow to impose penalties.

U.S. Rep. Tom Lantos, the California Democrat who heads the House panel that oversees HUD, said the testimony showed that "we are facing a national scandal." Additional hearings are planned for early next year.

Mr. Kemp told *The News* that his agency is doing a good job of monitoring the community development program. "I've tightened it up," he said. "I think we're doing a better job."

■ Mr. Kemp and other top officials have taken little action to correct some long-standing problems that threaten HUD's financial health and monitoring ability.

For example, mortgage insurance funds operated by the Federal Housing Administration have racked up multibillion-dollar losses. Yet for three consecutive years, private auditors have found the FHA's records in such disarray that they have been unable to determine the full extent of its problems.

Mr. DelliBovi said HUD is moving aggressively to resolve the problem.

"That is deplorable, it's outrageous, but it also suggests that this isn't going to be cured overnight," he said.

The General Accounting Office reported in May that HUD has done little to get the FHA under control. "HUD has identified the steps needed to correct financial management weaknesses," a GAO report

OVERCHARGES CITED BY AUDITORS

Of 95 projects renovated by the top developers in the Section 8 Moderate Rehabilitation program, 45 were audited by HUD. Auditors found overcharges in 40. Developers disputed those findings, saying all charges were proper. Here are the projects in which auditors said overcharges exceeded \$3 million:



PROJECT	DEVELOPER	UNITS	OVERCHARGES
Seagrape (Miami)	Perez	112	\$6.75 million
Colony North (St. Louis)	Levitt	356	\$5.50 million
Allenhurst (Buffalo, N.Y.)	Ross	316	\$4.92 million
Sierra Pointe (Las Vegas, Nev.)	Winn group	160	\$4.72 million
Colony (Columbia, S.C.)	Trent	300	\$4.67 million
Kingsley Park (Essex, Md.)	Siegel	312	\$4.57 million
Linden-Reno-Willow Creek (Reno, Nev.)	Queenan	204	\$4.31 million
Hollywood (Springfield, Mass.)	Katz	176	\$3.91 million
Seabrook (New Jersey)	Manafort-Cruse	326	\$3.79 million
Sun Garden-Worthington (Tulsa, Okla.)	Carnes Bros.	203	\$3.52 million
Windsong (Tulsa, Okla.)	Winn group	202	\$3.49 million
Pebble Creek (Arlington)	Carmen	334	\$3.20 million
All others			\$28.28 million
TOTAL			\$81.63 million

SOURCE: U.S. Department of Housing and Urban Development

The Dallas Morning News

said, but "little action has been taken."

In another report examining the Kemp team's overall efforts, the congressional watchdog agency summarized its assessment in the title: *HUD Reforms: Limited Progress Made Since the HUD Scandals*.

Mr. Kemp has made changes. He shut down four programs, including Section 8 Moderate Rehabilitation. He eliminated a special discretionary account used by his predecessor, Mr. Pierce, to fund pet projects. He spearheaded the HUD Reform Act of 1989, which requires that lobbyists register with the agency and disclose their fees.

"I think we're depoliticized here," Mr. Kemp said.

Career employees at HUD said these highly publicized changes were the easiest to make. Mr. Delli-Bovi agreed.

"Influence-peddling was relatively simple to get rid of," he said.

The reform law did not address the poor conditions of the mod rehab apartment projects, developer overcharges or many of HUD's other long-term problems.

Mr. Kemp said he can accomplish the job if Congress will give him the authority to "empower the people."

"And I think that is the glory of what we've done in several instances," he said, "but I can't get Congress to go along with it to the extent that I would like."

Donald Campbell, staff director of the Senate subcommittee on housing and urban affairs, said that the Kemp team, instead of pursuing meaningful reform at HUD, has concentrated on generating rhetoric, avoiding blame and eliminating housing programs.

"The reaction (to the HUD scandal) from the Kemp administration has been essentially to shut down the department," said Mr. Campbell, who was appointed by the commit-

tee's Democratic majority. "More attention has been given to rhetoric and 'empowerment' and these general themes, and far too little attention given to actually delivering decent housing."

"HUD has a public mission to provide decent housing, and if under its aegis those (substandard) conditions are continuing, then the scandal is still unfolding," Mr. Campbell said.

The government has a powerful tool to deal with substandard conditions in mod rehab apartments: It can cancel the developer's rent-subsidy contract for failure to provide the required "decent, safe and sanitary" housing.

But HUD has done that only once, and that was in 1988, before Mr. Kemp took over. After stories by *The News* on conditions at the Robin Square Apartments in Dallas, HUD voided the developer's 15-year contract and gave tenants certificates to rent other apartments of their choice.

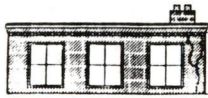
Mr. Greer, who spearheaded the investigation that in 1989 documented a national pattern of mod rehab overcharges, said HUD and Congress now should undertake a nationwide review of conditions.

If any contracts are canceled, he said, taxpayers as well as tenants could benefit.

"We can give all those people certificates or vouchers and tell them to go find a nice unit," said Mr. Greer, assistant HUD inspector general over audits. "We're going to be spending maybe less money and definitely no more."

He said federal officials have a legal and moral responsibility to address living conditions.

"My hope would be that... they go back and take another look at it," Mr. Greer said, "because what we have now is garbage, and HUD apparently isn't doing anything."



HUD calls site's flaws serious

Agency faults \$50 million renovation in Puerto Rico

By Craig Flournoy
Staff Writer of The Dallas Morning News

SAN JUAN, Puerto Rico — It's hard to miss Alameda Towers, three pale blue concrete buildings rising 16 stories above the western edge of Puerto Rico's capital.

As the nation's largest project funded under the federal Section 8 Moderate Rehabilitation program, it should be a showpiece.

Tenants say it's a \$50 million failure.

"Ashamed" and "embarrassed." That's how Anna Tait said she felt about living at Alameda Towers.

Rats are a constant problem. Crime and drug dealing have left her terrified. And she said that in her 16 months there, her apartment has flooded four times.

"The federal government is paying too much for this," said Mrs. Tait.

The federal government did not call the 410-unit complex a failure. But the U.S. Department of Housing and Urban Development found what it termed "serious" problems involving substandard housing and a failure by local officials to conduct required inspections at Alameda Towers.

In its most recent review, HUD found that more than one-third of the apartments that were inspected violated federal housing standards. Among the reasons cited: leaking ceilings, leaks in walls and electrical hazards.

The private developer and several public officials declined to discuss the project.

Cleofe Rubi Jr., the developer of

DEVELOPER PROFILE

CLEOFE RUBI JR.

Number of projects: Two

Total subsidy: \$59,723,720

Total apartments: 531

Projects HUD reviewed: Two

Overcharges found: \$1.18 million at two projects

Background: Mr. Rubi is one of Puerto Rico's largest recipients of federal housing money. He developed and continues to manage two mod rehab projects, both high-rises. In addition, he has been involved in more than a dozen other HUD projects. In November 1990, HUD suspended him for a year because of his handling of some of these projects. According to agency records, taxpayers were overcharged more than \$441,000 at three projects and Mr. Rubi failed for years to correct substandard conditions at two. In April HUD lifted the suspension, less than five months after imposing it.



the project and one of Puerto Rico's biggest recipients of federal renovation contracts, did not return repeated telephone calls.

Housing officials with the city of San Juan, which selected the first two towers for \$22.37 million in renovation funds, initially agreed to provide records and to discuss the project. When a reporter arrived, they changed their minds.

Maria Judith Oquendo, who previously managed Alameda Towers for Mr. Rubi before taking over as San Juan housing director, refused to discuss the project. Nyvia Milian, the housing department's legal adviser, tore up a written request for information under the federal Freedom of Information Act.

"It's not my problem," she said.

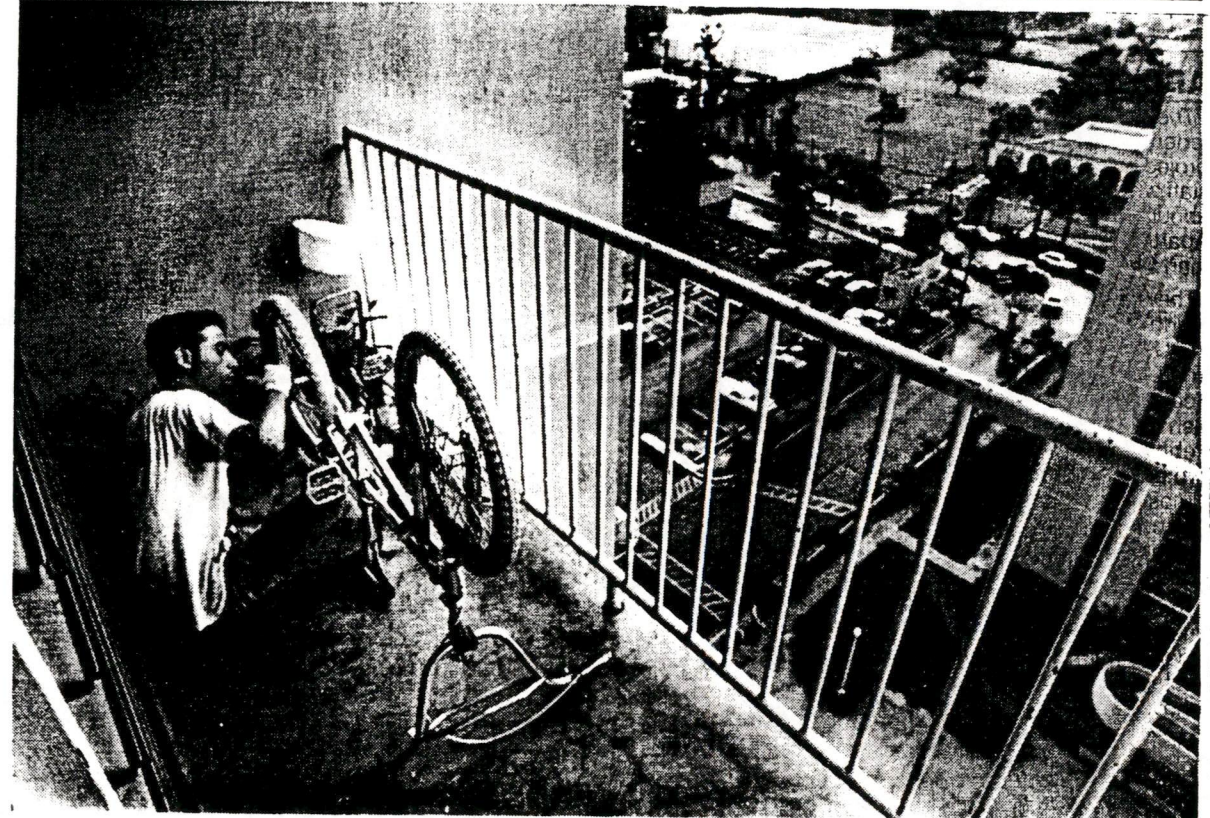
The San Juan city attorney's office later provided some of the documents.

Rosa Villalonga, the manager of HUD's Caribbean office, had faint praise for Alameda Towers.

"The physical appearance is not bad," she said. And management, she said, is "not bad."

The only government agency that unequivocally praised the project was the Puerto Rico Housing Finance Corp. That agency selected the third tower for \$11.49 million in renovation funds and awarded \$16.35 million in tax credits for the entire project. The renovation money is paid in rent subsidies over 15 years.

"I know that they (tenants) are very happy," said Eugenio Prado, head of the corporation's legal divi-



The Dallas Morning News: Erich Schlegel

Jose Juan Reyes, 17, fixes his bicycle on the balcony of his mother's 14th-floor apartment at Alameda Towers, a HUD-subsidized high-rise in San Juan, Puerto Rico. HUD says local housing officials have not adequately inspected the complex.

live in a 15th-floor apartment. Over the past three years, he said, his family has put up with leaks, elevators that break down, summers with no air conditioning and an onslaught of drugs and violent crime.

management ignores her complaints.

"They listen to the story each time but never get anything fixed," she said.

Sonia Soto said she has found vials containing crack cocaine around the apartment complex. Her three sons, ranging in age from 6 to 11, have found syringes. Ms. Soto blamed drug dealers who live in the neighborhood and management that refuses to get tough.

"I want to move," she said.

Nelson Torres understands. Mr. Torres, his wife and two children

Erected by the Puerto Rican government in the mid-1970s, Alameda Towers was, by the following decade, a failure, in foreclosure and vacant, according to Mr. Prado. Today, he said: "The project is 100 percent occupied. Nobody's complained about the operation or management."

Eight residents interviewed by The Dallas Morning News had plenty of complaints.

Rosa Fontanez said her apartment has flooded several times, once leaving almost a foot of water. She said

Mr. Torres said that when he moved in, he expected the landlord to meet his contractual obligation to provide decent, safe and sanitary housing.

Mr. Torres said that what his family got was much different: "It's half-decent, it's not safe and it's really not sanitary."

Families relegated to former barracks

Tenants in Florida apartments complain about crime, crowding

By Craig Flournoy

Staff Writer of The Dallas Morning News

M IAMI — A few miles north of Miami stand row after row of earth-colored cinder-block buildings.

There is little landscaping. Weeds and broken glass sprout amid fine, charcoal-gray sand. Piles of dead tree limbs and old furniture dot the grounds.

The federal government pays the rent for up to 200 families to live in the apartment complex owned by Jorge Bolanos, the sixth-largest developer of projects funded under the Section 8 Moderate Rehabilitation program. Many of the tenants want to leave.

Thelma Garcia wants out. Among her reasons: "When it rains, rats crawl all over the beds."

Deirdra King wants out. Among her reasons: "A two-bedroom apartment is too small for me and my five kids."

Debbie Gavalda wants out. Among her reasons: "It's not safe. The crime and drugs are terrible. You hear shootings all the time. I live in fear, especially for my kids."

All three women said they have tried repeatedly to move out of the complex, known as Las Palmas/Michelle Village. All three said their requests to transfer to other subsidized housing have been denied.

Now they feel trapped.

"This place is so bad that two of my kids don't live with me," said Ms. Gavalda. "I'm trapped in a slum."

Las Palmas/Michelle Village is one of six projects for which Mr. Bolanos and his partners won mod rehab contracts during the 1980s.

The contracts total more than \$74.61 million in subsidies and guarantee rents over 15 years to cover acquisition, renovation and operation. They cover 788 apartments. In exchange, Mr. Bolanos promised to provide decent, safe and sanitary housing.

Interviews and records obtained by *The Dallas Morning News* show that taxpayers frequently paid too much — and that poor families often got little in return. For example:

■ Federal auditors examined five of Mr. Bolanos' projects. They found overcharges at four totaling millions of dollars.

■ More than two-thirds of the apartments at the six projects are efficiency units or have one bedroom, although families dominate the waiting list for subsidized housing.

■ The only project designated solely for families is Michelle Village/Las Palmas, in the poor community of Opa-locka.

The apartments were built during World War II as temporary military housing. By 1954, the barracks were

so deteriorated that the federal government tried to tear them down.

Three decades later, hundreds of mothers and children moved in after the buildings were renovated. Their new home has no playground, no private security and no air conditioning, tenants said. The total subsidy cost to taxpayers over 15 years is \$18.1 million.

Mr. Bolanos declined repeated requests for an interview. He also did not respond to written questions.

Maria Yanez, rental supervisor for Mr. Bolanos' Mivia Corp., which continues to manage his taxpayer-funded projects, said: "He told me he would not grant any interviews. No way, no how, nothing to the press."

Tenants were willing to talk. More than a dozen told *The News* that the complex was not decent, safe or sanitary.

Sharon Lewis, a student and mother of two, complained of rats and lizards inside her apartment and snakes outside.

She said that without air conditioning, the apartments are like ovens in the summer. Yet, fearful of crime and drugs, she will not let her children play outside after dark.

"They (taxpayers) are paying \$600 a month for this dump. It's outrageous," said Ms. Lewis, who is studying data entry and typing at a technical school.

Federal investigators apparently agree. HUD officials in Florida audited half of the 200-unit project in 1983 and found more than \$2.5 million in overcharges. Among the

items cited: inflated tax bills, double-billing on management charges, ineligible financing fees and construction costs, and undocumented purchase price.

Later, the HUD Office of Inspector General found almost \$1.4 million in overcharges. The watchdog agency recommended that the local housing authority reduce Mr. Bolanos' contract by that amount.

Instead, Dade County housing officials have increased rents throughout the project by as much as 20 percent.

Mr. Bolanos remained unsatisfied. In a 1990 letter to Dade County officials, he complained that the "rents we are presently receiving are inadequate." As a result, he said, "We have been forced to understaff the property, underinsure it and cancel the flood policy."

Barbara Fonseca agrees with Mr. Bolanos on at least one point: lack of maintenance. She has tried to have her bathroom fixed for two years without success. "It's a mess," said the 28-year-old mother of two.

Government housing inspectors agree. They recently found seven violations of federal housing standards in the apartment's one bathroom, including a defective shower and deteriorated walls and flooring.

Her son, David, desperately wants to move out.

"I'm scared here because I'm al-



The Dallas Morning News: Erich Schlegel

Barbara Fonseca, who lives with son David and daughter Bianca, says she's tried for two years to have their apartment's only bathroom fixed.

ways hearing gunshots," said the slender, curly-haired 12-year-old with brown eyes. "I won't invite any of my friends from school over because I'm ashamed to live here, real ashamed. This place is a slum."

Ms. Fonseca, who has asthma, tried to transfer. She got a letter from a physician stating that she should be allowed to move "because her present apartment is hot, damp and humid and it aggravates her condition."

But Ms. Fonseca said her transfer requests were denied as routinely as her requests for maintenance have been ignored.

She has one alternative: to give up her federal rent subsidy. "The only other place I could live is the streets," she said.

Rebeca Polanco fought to improve conditions at the project. She was almost evicted.

"In 1986, the landlord decided to board up our back doors after the (Dade County) inspectors ordered him to fix them," said Ms. Polanco, a student and mother of three sons. "That made us mad. So we got together a tenants' association. I was the president."

The tenants argued that the back doors were needed as fire escapes and for ventilation.

"Some tenants even offered to pay for their own new doors, but the landlord said no, he didn't have the

DEVELOPER PROFILE	
JORGE BOLANOS	
Number of projects: Six	
Total subsidy: \$74,610,060	
Total apartments: 788	
Projects HUD reviewed: Five	
Overcharges found: \$3.52 million at four projects	
Background: Mr. Bolanos is one of the nation's biggest developers of mod rehab projects. Mivia Corp., his management company, oversees daily operations at his six renovation projects. All are in the Miami area. Mr. Bolanos shares ownership of his projects with as many as eight partners but records list him as a general partner responsible for operation of each.	

money and just wanted to close them up," Ms. Polanco said.

Later that year, the owners filed an eviction lawsuit against Ms. Polanco, arguing that she was three weeks late in paying her rent.

Said Ms. Polanco, "For five days I tried to pay my rent, but they wouldn't accept it."

Ms. Polanco was not evicted. She said Mr. Bolanos allowed her to stay after she paid \$200 to cover attorney fees and other charges.

About that time, Ms. Polanco had her third child. She requested a transfer from a two-bedroom to a three-bedroom apartment.

Mr. Bolanos' management company responded with a notice stating that any tenant wanting to transfer

"must pay (a) \$250 non-refundable administrative fee in advance," must "leave a deposit . . . of \$200" and would be allowed to transfer "only . . . between the properties owned by the same legal owners."

Today, Ms. Polanco is in the same apartment. She has rats. She paid \$400 to have new tile floors installed in her kitchen and living room after the landlord refused to replace them, she said.

She has little hope.

"I appreciate the government help with my rent, but this place is a slum," she said. "No one with the government cares about us. Only the rich people get anything. This is really like you're in jail."

Non-profit housing group an alternative to HUD

Plan keys on homeownership, not rent subsidies

Last of six parts

By Bobbi Miller
and Craig Flournoy

Staff Writers of The Dallas Morning News
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TRENTON, N.J. — From his mission in the graffiti-spangled inner city, the Rev. Brian McCormick has seen the crushing need for decent housing.

And he has found that sheltering the poor, even making them homeowners, need not be expensive.

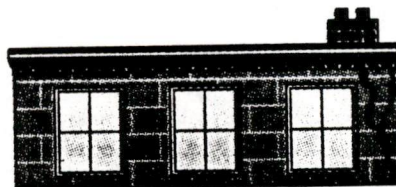
Certainly not as expensive as the Trenton row houses renovated by private developers under the federal Section 8 Moderate Rehabilitation program. A yearlong investigation by *The Dallas Morning News* found that 14,164 apartments renovated by

the top mod rehab developers are costing taxpayers an average of \$102,608 each in total subsidies, paid over 15 years.

Trenton is home to the most expensive mod rehab projects in the nation. As coincidence would have it, those red-brick apartment houses were renovated at about the same time, and in the same blighted neighborhoods, as renovations organized by Father McCormick and his fellow Roman Catholic priests.

The priest sees one project as a testament to greed, the other as an exercise in economy.

From the outside, the two projects, done in the late 1980s, are virtually indistinguishable. Both groups renovated two- and three-story row



UNFINISHED BUSINESS

The HUD scandal revisited

Solutions

Top HUD administrators say one important way to resolve problems of housing for low-income people is to give more of them rent subsidies for apartments of their choice. But that approach presents problems, too. Meanwhile, private groups are finding ways to provide decent housing for low-income people.

■ Supply of housing.	26A
■ HUD housing budget.	26A
■ Hotel-apartment contrast.	27A
■ In lawyers' hands.	27A

houses. They bought the buildings out of condemnation for \$100 to \$300 each. They gutted them and then re-

Please see PRIEST on Page 27A.

Priest says housing needn't be costly

Continued from Page 1A.

made them with new walls, wiring, plumbing, cabinets, linoleum and carpet.

The non-profit Better Community Housing of Trenton turned the buildings into single-family houses. The group employed some volunteer labor and as many donated and discounted materials as it could marshal.

The developers of the 233-unit federal project, called City Side Apartments, converted most of their row houses into two large apartments each. They paid for the work with more than \$54 million in subsidies from the U.S. Department of Housing and Urban Development, state aid and federal tax credits for low-income housing.

City Side general partner Judith Siegel, who developed the property with three other partners, did not return repeated telephone calls for comment.

Father McCormick acknowledges that the City Side project came out looking good, with spotless brick exteriors. But, he said, the houses done by Better Housing are superior on the inside.

The Better Housing houses also cost less.



Special to The Dallas Morning News: Associated Press

The Rev. Brian McCormick greets a passer-by recently in Trenton, N.J., where the non-profit Better Community Housing of Trenton is renovating homes.

About eight times less.

City Side Apartments will cost taxpayers an average of \$235,092 per unit in federal subsidies. The money is paid out over the 15 years for which the property is contracted to house poor tenants. Most of those subsidies are in the form of government-guaranteed rents, which currently range from \$580 to \$1,020 monthly.

The per-apartment cost is the highest of the 95 mod rehab projects reviewed by *The Dallas Morning News*.

By contrast, Father McCormick said, Better Housing's houses cost an average of \$30,000 each, an amount the group underwrites in interest-free loans and grants.

An intense Irishman with gray hair and lively blue eyes, Father McCormick grows angry pondering the implications. With the same amount of money, if it were paid in a lump sum, Better Housing could have housed eight times as many people as the HUD program. Taxpayers could have gotten eight times the impact for their dollar.

"What I see is our country has switched from Judeo-Christian values to 'reasonable greed,'" he said, offering his theory of how two dwellings so similar can wind up with prices so different.

He blames a system that fosters "extortionate profit" and accepts a built-in "greed factor."

He said extortionate profit happens intentionally, but without malice, when everyone from the tile layer to the title searcher demands a certain wage or profit from work on a government contract.

"They think they should help the poor, as long as they maximize their own personal benefit," Father McCormick said.

Then the government itself weighs in, or so the theory goes, with its voluminous paperwork and regulations, driving costs higher.

Father McCormick believes that with a shift in focus — to results, not profits — even the government could produce new single-family houses for the poor for \$50,000, using paid labor and donated lots.

"Anything else says, 'We're not concerned about poor people, we're concerned about making money,'" he said.

Father McCormick is not an idle theorizer. He began testing his ideas in the mid-1970s with a single renovation. The first house took more than a year to complete. Since then, Better Housing has renovated 70 older houses, mostly in the late 1980s, and built four new town-houses.

The buildings bear witness to Father McCormick's theory of extor-

tionate profit and to his belief that homeownership is the soil necessary for urban renewal to take root.

After Better Housing equipped its renovated houses with everything except a stove and refrigerator, it sold them to low-income people for half price, about \$15,000, without interest. Better Housing and its parent organization, the Martin House mission, absorbed the other \$15,000.

The pre-selected owners already had "sweat equity" in the houses: They had helped build them.

"I hate to keep using this cliché, but it truly was like a dream come true," said Pearleen Waters, a 31-year-old mother of two who bought a red-brick two-story.

"The main thing was the feeling of independence and security. Now I know we will always have a place to eat and sleep," said Ms. Waters, who pays \$125 a month on her \$15,500 mortgage. In 10 years, she will own the house and plans to use it as collateral to help finance her children's education.

Ms. Waters, a graduate of New Jersey's Rutgers College, is typical of the recipients of Martin House homes. She was working full-time in a county government job in the mid-1980s when she realized that a divorced mother earning under \$20,000 had little hope of owning a home.

She was initially suspicious of the Martin House program and reluctant to settle just blocks from the public housing project where she grew up. That seemed to be a setback.

But she found truth in Father McCormick's words that she could be a role model for the neighborhood. And she remembered her mother's advice.

"As my mother said, it's not where you live, it's how you live," said Ms. Waters, now a co-director of Better Housing.

Ms. Waters and Father McCormick don't waste words criticizing the City Side project. But knowing that the money could have done so much more, they can't help but see it as a symbol of the country's moral failure to house the poor.

"If we really have a crisis in the country, then everybody's got to make some kind of sacrifice," Father McCormick said. "Not somebody who thinks they're doing good and they're still making the same amount of profit they've always been making so that they can have their second home and their vacation and their second truck."

The president of Better Housing, Joan Livingston, considered the cost comparisons from the sunny front stoop of her renovated two-story home.

"Just tell HUD to come on down," she said. "We'll show them how to do it real cheap."

Burden of sheltering needy shifting to private sector

By Bobbi Miller
and Craig Flournoy
Staff Writers of The Dallas Morning News

America has fought the battle to house the poor, much like it has waged war on other domestic crises, with considered hesitancy, degrees of confusion and frequent foundering.

From the botched public high-rises of the 1960s to the shame of homelessness today, American housing policy has provided fodder for countless critical studies. Among the critics is the head of the U.S. Department of Housing and Urban Development, Jack Kemp.

"The failure of housing policy in America has been concentrating poor people, low-income people, in conditions that . . . were deplorable in terms of the quality of their hous-

ing environment," he said.

Mr. Kemp, a loquacious speaker and self-described "Abraham Lincoln bleeding-heart conservative," has been praised for bringing a fresh, earnest face to the helm of HUD. He has traveled the country outlining a new conservative agenda that stresses "empowerment" of the poor and rejects the assumed perpetual nature of poverty.

With domestic issues coming to the fore in presidential races, the message is sounding more in sync with the political beat.

But the reality is that the housing landscape remains clouded. Studies show that American housing stock is in decline, in quality and quantity. Each year, losses to attrition mean that fewer units are available at a

Please see NON-PROFIT on Page 26A.

Non-profit groups play growing role in housing needy

Continued from Page 1A.

price that low-income people can afford. Meanwhile, HUD's spending on subsidized housing has decreased dramatically since 1978.

"It's fairly accepted that there is a severe shortage of affordable housing, and the American stock overall is not being replaced, restocked or replenished," said Jean McRae, director of the Housing and Community Studies Center at Howard University in Washington, D.C.

Non-profit groups such as Habitat for Humanity are working harder than ever to fill the gap. But in many respects, the government is doing less.

Vouchers in decline

For all his speeches, Mr. Kemp's HUD bears similarities to the HUD of his predecessor, Samuel Pierce, who presided over the agency during the Reagan years.

One striking resemblance is in the number of Section 8 certificates and vouchers funded by HUD.

Certificates and vouchers are direct rent subsidies to the poor. The tenants find an apartment of their choice, within guidelines, and pay up to one-third of their income for rent. The government picks up the rest.

The program is HUD's largest subsidy aimed directly at the poor, and it is enormously popular with Mr. Kemp, many tenants, housing advocates and others who support giving more choices to those in need.

Studies also show that certificates are an efficient tool. A U.S. Government Accounting Office study comparing certificates with the now-defunct Section 8 Moderate Rehabilitation program found that certificates could have supported twice as many tenants for the same money.

Yet the number of new certificates and vouchers is expected to fall next year to its lowest point in nine years.

HUD estimates the number of certificates and vouchers to be funded in 1992 at 50,905. That's down from a high of 74,655 in 1984.

Mr. Kemp blames Congress for not funding the program at the level he would like.

But critics question the Bush administration's commitment to housing subsidies.

"HUD is not providing leadership, and no one is pushing them to lead," said Ms. McRae of Howard University.

Nor has HUD emerged to correct shortcomings in the certificates program.

Studies over the past decade have found serious flaws in the quality of housing that tenants are able to secure with vouchers and certificates. National sampling by the HUD Office of Inspector General from 1978 to 1988 consistently found that 40 percent or more of the units occupied by tenants using certificates and vouchers failed to meet federal housing standards.

A 1988 study of voucher-supported apartments in older urban areas found that 53 percent had violations, ranging from flaking lead-based paint and unsafe electrical systems to rotting foundations and roach and rodent infestations.

The inspector general's report blamed inattentive landlords, inadequate or infrequent inspections by local housing authorities and HUD's failure to better monitor and penalize the housing authorities with recurrent violations.

Tax-credit debate

The largest stream of money aimed at developers of low-income housing nearly dried up in November, when Congress threatened to recess without renewing the Low-Income Housing Tax Credit program.

The tax credit began in 1987. Its cost and usefulness have been debated every year since. Congress kept the tax credit alive with temporary annual extensions for two years, and saved it from expiring at the end of this month with a last-minute vote before Thanksgiving. But lawmakers put the provision on a short leash, extending it only through June 1992.

The tax credit entices developers to build, convert and rehabilitate housing for low-income tenants by offering tax breaks based on their investment. The developers can use the credits themselves over 10 years or sell them to financial brokers. The brokers, in turn, sell the tax credits, like stocks and bonds, to dozens of small investors.

The credit was created to replace earlier tax shelters abolished by the 1986 Tax Reform Act. Since 1987, it has channeled about \$10 billion in credits to developers, a figure that dwarfs most HUD programs. This year alone, taxpayers were committed to spend up to \$3.2 billion to support the low-income housing tax credit.

The Treasury Department apportions the tax credits to states based on their population. State housing agencies then select and award the credits to competing projects.

Like the certificate program, the tax credit plan has not been trouble-free.

In 1989, Congress made major adjustments to stem abuses. Developers had been compiling excess profits by layering the tax credit with other housing subsidies. Congress limited that practice and made HUD and state housing agencies more accountable in how they select, fund and monitor the projects.

The episode demonstrated the problem with indirect subsidies to the poor. They can be complicated, and difficult to administer and understand. A recent seminar in Dallas on the tax credit left several small property owners shaking their heads in confusion. They said they couldn't fathom all the rules and didn't have resources to do the extensive paperwork.

Such subsidies for developers are regularly criticized as inherently inefficient because the aid is funneled indirectly to the poor.

Mr. Kemp and his deputy secretary, Alfred DelliBovi, disagree on the merit of the tax credit. Mr. Kemp, who has sharply criticized other developer-based programs, said he nonetheless supports the tax credit program as necessary to draw builders into the low-income market.

Mr. DelliBovi opposes subsidies to developers on principle.

"We don't need to think up any new ways for those people to make money," he said. "They're doing pretty nicely as it is."

Other approaches

Increasingly, groups outside the government are talking about serving more people by slicing out the profit factor in low-income housing. Habitat for Humanity, a Georgia-

"We're doing a drop in the bucket for the city of Dallas in terms of need."

**— Wink Dickey,
executive director,
Dallas Habitat
for Humanity**

based, non-profit housing group with chapters worldwide, is celebrating its 15th year of renovating and building houses for the poor using donated dollars and labor.

In contrast to the shrinking HUD programs, Habitat blossomed in the 1980s. The group boasts 652 chapters in the United States. It has produced 12,000 houses — about 6,000 in the United States and 27 in Dallas, according to Habitat statistics.

Volunteers have built or renovated more than 2,000 of those homes in the last two years. Habitat underwrites the houses and then sells them to qualified low-income buyers. The average Habitat house sold for \$31,930 in 1990. The average monthly payment is \$175 on an interest-free, 20-year mortgage, said Shirley Schultz, media relations assistant for Habitat.

The typical Habitat house occupies about 1,000 square feet and has new floors, walls, wiring, plumbing and siding. It is "simple and decent," with a few affordable customized touches that the owner helps devise and construct as he or she works on the house alongside volunteers, Ms. Schultz said.

Habitat founder and president Millard Fuller describes the group's philosophy as "radical common sense." Its success, he said, shows that Americans care about housing the poor and will support a reasonable, thrifty solution.

"We are a vehicle for them to put their faith into practice in a way that makes sense to most people," he said.

People also volunteer and donate — an estimated \$72 million this year alone — because they can see results, Mr. Fuller said.

"Someone once said Americans will support anything they can take a picture of. . . . People can see what a difference a house makes."

For the residents, Habitat seems to work because of the owners take pride in homeownership and receive training in upkeep and budgeting. The group reports a mortgage failure rate of less than 2 percent.

"We are seeing in Habitat that the element of love and the element of homeownership and being responsi-

ble for your own place — these are essential ingredients for success," Mr. Fuller said.

Convincing as it is, the Habitat approach is not a complete solution. Members admit that there aren't enough volunteers and contributions to accommodate the millions in need across the country, or the world.

"Habitat can't do it all," said Wink Dickey, executive director of Dallas Habitat for Humanity, which has built 24 houses in a distressed East Dallas neighborhood over the past two years. "We're doing a drop in the bucket for the city of Dallas in terms of need."

Mr. Dickey and Mr. Fuller believe that a partnership of altruistic groups and the government could enlarge the supply of affordable housing at a faster pace.

The government could set the stage for non-profit housing groups by donating public land and abating taxes, fees and permit costs associated with remodeling and new construction, Mr. Fuller said. Easing those costs would allow non-profit groups to provide more housing and bolster the government's moral position, he said.

"Do we want a country where a large segment of our population has palatial homes and then another segment lives in abject poverty?" he said. "Or do we want a society in which everyone's basic needs are met?"

White House role

Mr. Kemp agrees that homeownership can be an answer.

"People treat things they own differently," he said in a Dallas speech in June. "That's why you can travel the country and see so much despair: People don't have a stake in anything."

Mr. Kemp's new program — called HOPE, for Homeownership and Opportunity for People Everywhere — offers grants to help low-income people and public housing tenants buy housing. But the HUD secretary wrested only partial funding for HOPE from Congress.

Mr. Kemp wanted \$855 million in fiscal 1992. He got \$361 million.

In an October interview, Mr. Kemp fumed that Congress was paying him back for previously criticizing Congress' end run around HUD to fund pork-barrel projects.

But some congressional critics say it is the Bush administration that has been unwilling to commit enough money to housing.

Rep. Tom Lantos, a California Democrat who heads the House subcommittee on employment and housing, says he is a big fan of Mr. Kemp's — but not of his budget.

"I would like to see billions, billions more spent on housing for low-income and homeless," Mr. Lantos said. "That's a deep, passionate philosophical commitment of mine. I'm praising Jack Kemp for his honesty. . . . But he's part of an administration that's unwilling to put any money into it. That's outrageous."

Mr. DelliBovi, the HUD deputy secretary, said his agency is doing more. It is subsidizing more house-

holds across the nation, he said — a total of 4.38 million in 1990, compared with 4.23 million in 1988, the last year of the Reagan administration.

And for low-income housing, HUD's total budget authority, or the amount it can spend, has increased from \$10.4 billion in 1988 to \$20.6 billion in 1991.

But the National Low-Income Housing Coalition, which analyzes the HUD budget, contends that that the growth is illusory because it is mainly supporting the status quo.

Coalition president Barry Zigas said the budget authority has risen only because HUD is being forced to renew housing certificates to avoid severing aid to millions of tenants.

The certificates, which began in 1974, are funded for 15-year terms. Thus, they were essentially paid up during the Reagan years, and began expiring under the new Bush administration in 1989. They have been expiring at an accelerating rate ever since, forcing HUD to spend more and more money just to maintain the aid.

HUD spent nearly \$8 billion in 1991 alone to renew vouchers and certificates and avert a wholesale displacement of subsidized tenants, according to the housing coalition.

That meant the HUD budget actually expanded by much less than the raw numbers indicated, Mr. Zigas said.

The irony, he said, is that Mr. Bush looks kind for merely meeting prior commitments and stopping the free fall of housing under President Reagan.

"What is happening is that the Bush administration wants to get credit for not asking for budget cuts," Mr. Zigas said. "That's not progress. It's not forward motion in that you're not starting the engine up and fulfilling needs."

The coalition contends that the money available for new subsidized housing units, certificates and modernization of public housing — a sum known as "net budget authority" — is a better measure of HUD's commitment to low-income tenants.

Net budget authority has declined from \$8.6 billion in 1988 to a projected \$7.9 billion for 1992, according to the housing coalition.

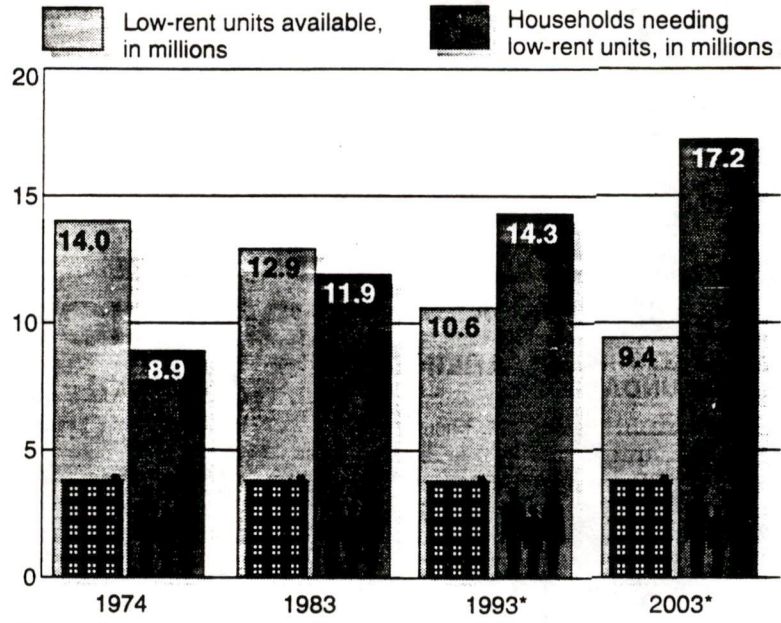
"This is the legacy of the Reagan years. The budget is still down," Mr. Zigas said. "There's just no way to make a case that you're making much of a dent in the situation."

He points to a recent HUD status report on housing needs as evidence.

The report estimates that 5.1 million households have "worst-case housing needs," meaning they are living in severely substandard conditions or paying more than half of their income for rent.

"We're not going nowhere," Mr. Zigas said. "We're going backwards."

LOW-INCOME HOUSING SUPPLY VS. NEED



*Projected

SOURCE: Dr. Phillip Clay, Massachusetts Institute of Technology

The Dallas Morning News

High-rise developer had high-level help

27A

HUD tenants say benefits not shared

By Bobbi Miller

Staff Writer of The Dallas Morning News

SAN JUAN — The low-income Vistas de San Juan apartments and the attached Clarion Hotel are a marriage of the grand and the humble.

The sleek, white 27-story Clarion sports a fern bar, a casino, racquetball courts and a beauty parlor. It is topped by Windows on the Caribbean, a rooftop restaurant with a panoramic view of the ocean and a wall of photos commemorating notable visitors.

The wall once included a picture of then-Vice President George Bush, who stayed at the Clarion in 1987 as a guest of the hotel's owner, San Juan developer Delio Rojo.

Tucked behind the Clarion, with a grittier view of the rear parking lot and a nearby youth detention center, Mr. Rojo's 12-story Vistas de San Juan apartment complex presents a less bountiful platter.

The Vistas, renovated with federal money, houses poor tenants in 316 un-air-conditioned apartments converted from hotel rooms. The austere units feature basic, tiny kitchens and plain linoleum floors.

Tenants describe a cheerless place where the management often seems impervious to their concerns.

"It's too hot here. Too close . . . and the maintenance is bad," said Carmen Aguayo.

"The owners got millions and they're not putting it back into the building," said Jeanette Curbelo, a 30-year-old mother of two. "A stove breaks, and years and years pass and they don't fix it."

Mr. Rojo declined to return phone calls seeking comment and to answer written questions submitted to his attorney. The attorney said Mr. Rojo owns the project with other investors. U.S. Department of Housing and Urban Development documents list two general partners as controlling the project, one a corporation wholly owned by Mr. Rojo.

HUD documents reveal that Washington and regional HUD officials were eager to approve \$37.8 million in subsidies for the vacant hotel owned by Mr. Rojo, a Republican contributor who once vacationed with an aide to then-Vice President Bush.

The renovation contract was awarded in 1983 without competition, and within weeks instead of the usual months. It was funded with subsidized rents that were guaranteed for 15 years and set at 35 percent above the average market rates for the area.

Letters from Washington urging approval of the Vistas project unabashedly touted Mr. Rojo as "a major contributor to the George Bush vice presidential campaign," according to a regional HUD official who reviewed the proposal.

Federal Election Commission and Republican Party reports verify that portrayal. During the 1980s, Mr. Rojo made \$36,100 in contributions, mainly to the Republican Party.

Letters from HUD headquarters in Washington also implied White House support for the project.

"Consistent with the vice president's task force initiatives on Puerto Rico, the department seeks to aid you by supporting this program," wrote Joseph A. Strauss, special assistant to then-HUD Secretary Samuel Pierce, in an April 1983 letter to Puerto Rico housing officials.

"Please review this application as expeditiously as possible. . . ."

Since its quick approval in 1983, the Vistas has been reviewed repeatedly over a variety of allegations.

The first questions concerned Mr. Strauss, who became a private consultant for the Vistas project after leaving HUD in May 1983.

The former HUD official's firm, Phoenix Associates, was paid \$25,000 for consulting on the project, according to photocopies of a check from Mr. Rojo.

The HUD Office of Inspector General investigated possible improprieties in the Rojo-Strauss dealings. No sanctions resulted from the inquiry.

In 1989, the Vistas was again in the news when the *San Juan Star* newspaper reported that Mr. Rojo had paid \$5,000 to Joseph Monticciolo, the former director of HUD's New York regional office, to try to reopen the files on Vistas de San Juan. According to HUD's Caribbean office, Mr. Rojo wanted the project's cost refigured to show a greater investment by the owners. The office denied the request.

Later that year, a routine review by the Puerto Rico Housing Finance Corp., which oversees the project, found a variety of financial problems.

The review faulted the project management, headed by Mr. Rojo, for failing to file financial reports and for spending \$20,000 on a legal claim against HUD and \$1,600 on flowers for employees and tenants.

Because the Vistas is supported through rents paid largely by HUD, and to a lesser extent by tenants, the legal action against HUD meant Mr. Rojo was, in essence, using taxpayers' money to sue the government.

Mr. Rojo made some changes. But he maintained that the legal action against HUD and some of the flowers were necessary.

"Remember, we have a financially healthy project, with 316 families . . . living in one building," Mr. Rojo said in a letter to housing officials. "The social work to keep proper relations in our project is a fantastic work and depends on numerous activities some of which utilize flowers (Mother's Day, Christmas and Thanksgiving, among others)."

Mr. Rojo also defended what the Puerto Rico Housing Finance Corp. cited as excessive expenses for security guards.

"You must recognize that security of a project is an important aspect," he wrote, "considering the project's location near a state juvenile prison where numerous riots have developed in the past."

The Vistas de San Juan could face additional scrutiny. The FBI has pulled the files on the project from HUD's Office of Inspector General. Officials at both agencies declined to comment on any investigation.

A New York grand jury has been investigating political contributions from Puerto Rican developers to U.S. Sen. Alfonse D'Amato, R-N.Y. During the 1980s, Puerto Rico was under the jurisdiction of the New York regional HUD office.

So far, the panel has indicted one Puerto Rican contributor, Eduardo Lopez Ballori, on charges of using false names to make campaign contributions over the legal limit.

Lawrence Noyer, an assistant U.S. attorney working with the investigation, would say only that the inquiry continues.

DEVELOPER PROFILE

DELIO ROJO

Number of projects: One

Total subsidy: \$22,944,600

Total apartments: 316

Projects HUD reviewed: 0

Background: Delio Rojo, a San Juan businessman, was the local general partner for the partnership that renovated the Vistas de San Juan apartments in the Miramar section of the Puerto Rican capital. The high-rise was among the first of many mod rehab projects that were approved by Washington HUD officials instead of being selected locally from competitive proposals. Mr. Rojo has denied that his ties to then-Vice President George Bush played a role. At the Vistas, 91 percent of the apartments are one-bedroom units, despite the greater need for family housing across the island.



Spotlight dims, but fraud probe continues

Indicted FW developer alleges racism

By Bobbi Miller

Staff Writer of The Dallas Morning News

After a torrent of publicity in 1989, the HUD scandal went where still-simmering scandals go — quietly away to the lawyers.

In March 1990, the U.S. attorney general appointed Arlin M. Adams, a retired federal judge in Philadelphia, to the post of independent counsel.

His mandate: to determine whether former Secretary Samuel Pierce and others at the U.S. Department of Housing and Urban Development "conspired to defraud the government" or committed other federal crimes by misusing federal housing money.

Mr. Adams selected 13 lawyers as associates. For 21 months, they have endeavored to sort the illegal from the merely irresponsible among the allegations brought out in congressional hearings.

So far, the grand jury convened by the independent counsel has returned two indictments.

One accuses Fort Worth developer Leonard Briscoe of mail fraud and submitting false financial records to HUD for a grant to build a shopping mall in Florida. He pleaded not guilty on Dec. 1.

The other, returned Dec. 11, accuses New York resident Samuel P. Singletary, a longtime friend and former campaign manager of Mr. Pierce's, of tax evasion.

The indictment against Mr. Briscoe lists a former assistant HUD secretary and a former assistant to Mr. Pierce as unindicted co-conspirators.

Mr. Briscoe, a former Fort Worth City Council member and state representative, said the case against him and the former HUD officials, all of whom are black, is racist.

The independent counsel, he said, is trying to get blacks to testify against each other and ultimately against Mr. Pierce, who was the only black to serve in President Ronald Reagan's Cabinet. Mr. Singletary also is black.

"The focus has been to go after the Negroes in this program, while nothing has happened to the whites. It's easier to indict black people," said Mr. Briscoe.

Why else, he asked, would the U.S. Justice Department pursue a black businessman who got a relatively small \$2.4 million grant, while billions of dollars allegedly were handed out as political favors by HUD during the 1980s?

Mr. Briscoe also has been indicted by a separate federal grand jury in Florida on charges of bribery and fraud involving construction of a government-backed housing project.

Mr. Adams and his associates would neither respond to Mr. Briscoe's remarks nor make any other public statements, said office coordinator Terri Duggan.

The indictment against Mr. Sin-



Leonard Briscoe ... has pleaded not guilty to federal charges.

gletary said he failed to report "a substantial amount of income" from his Washington consulting firm from 1985 through 1987. It did not specify the amount.

In May 1990, a former assistant of Mr. Pierce's told Congress that the then-housing secretary had arranged a \$350,000 HUD consulting grant for Mr. Singletary's firm. The aide said Mr. Pierce had told him to approve the grant because his friend needed financial help.

The special prosecutor's mandate to investigate a possible conspiracy at HUD, involving tens of millions of dollars and four separate programs, indicates that it has bigger targets in

its sights than Mr. Briscoe and Mr. Singletary.

The independent counsel has subpoenaed documents from across the country pertaining to numerous renovation projects and developers with multiple projects.

Among the projects under investigation are several in the West developed by former HUD officials J. Michael Queenan and Philip Winn, according to their business associates.

Stanton Rosenbaum, a Denver attorney for Mr. Winn, said his client did nothing wrong.

"Mr. Winn did not engage in any conspiracy to defraud the United States government, period, absolutely, mod rehab or anything else," he said.

Whether and when the investigation will produce more criminal cases, or even the number of indictments Mr. Adams has sought, is not being made public.

The independent counsel's offices are in a busy marble building four blocks from Capitol Hill. But they are sealed from the political limelight. No reporters are allowed inside. No interviews are granted. News releases have been limited to background on the counsel's staff and mission.

Rep. Tom Lantos, D-Calif., head of the subcommittee that held extensive hearings exposing favoritism at HUD, concedes with a smile that the lawyers are proceeding at a lawyerly pace.

Still, he predicts more indictments. "I think lots of people will go to jail," he said.

The Clarion-Ledger

Jackson, Mississippi

Thursday ■ December 19, 1991

Kemp
file

'There are people in the world that care'



Greg Jenson/The Clarion-L

New Hope resident Magnolia Wilson (left), U.S. Housing and Urban Development Secretary Jack Kemp (center) and U.S. Rep. Mike Espy

tour a section of the community known as Dirty Corners until its renaming on Wednesday.

Squalid town gets new name, New Hope

■ A Bush aide promises \$114 million in federal housing assistance. Local governments also will share \$31 million.

By Steve Walton
Clarion-Ledger Delta Bureau

NEW HOPE — Five poor families in rural Tallahatchie County are about to live the American dream of owning a decent home.

Many more in Mississippi may follow.

Families of the Dirty Corners community Wednesday renamed their rundown area as New Hope in a ceremony with U.S. Housing and Urban

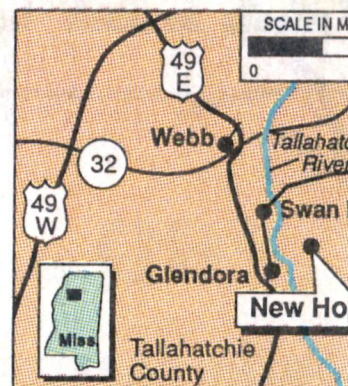
Development Secretary Jack Kemp and U.S. Rep. Mike Espy of Mississippi.

"You can get so down you don't think anybody cares. This shows there are people in the world that care," said Susie Woodson, 43, of New Hope.

Kemp announced Mississippi will receive \$100 million in 1992 to help families in public housing buy homes and \$14 million to rehabilitate run-down houses.

Also, local governments will get \$31 million in Community Development Block Grants to improve services, he said.

See NEW HOPE, 21A



New Hope

From 1A

"It is a disgrace to America to think that people cannot have decent housing, decent jobs, decent incomes," Kemp told the crowd of about 200 at the hour-long event. "It is a disgrace to this country at a time of the triumph of democracy in the world, that our democracy has left people behind."

Among the crowd were West Tallahatchie High School band members, who struck up marching tunes, and Mississippi Army National Guardsmen, who set up tents for the ceremony.

"We never expected a big come-out like this," said Woodson, who lives with her husband and eight children in a four-bedroom house without a toilet. They have a tin-sided outhouse in the back yard.

Woodson's family will get one of the five new houses through a \$100,000 grant the United Parcel Service Foundation awarded Oct. 21. Funneled through Delta Housing Development Corp. of Indianola, the money will buy materials and train families in building skills.

"This is not a story of people sitting back and taking handouts," Espy said.

Construction is expected to open in January and stretch through the year. In the meantime, families will move into mobile homes provided by HUD. Two mobile homes were delivered Tuesday and others are expected today.

"The best part (of new homes) is my kids will have their own rooms, and we'll have a bathroom," said Martha Green, 34, who lives with her husband and three children next door to the Woodsons.

Kemp said HUD will provide more than 100 more mobile homes to Espy's 2nd Congressional District in 1992 for poor families in need of decent housing.

County Supervisor Ray Hardy, a farmer whose district includes New Hope, said Tallahatchie County is littered with several hundred run-down houses like those at Dirty Corners.

Espy said Dirty Corners was formed in 1973 when farm workers moved off Rabbit Ridge plantation and paid \$20 for their houses and \$200 for the land. Running water came in 1989 and 1990. About 13 families live there.

Epsy praised Woodson and Magnolia Wilson of New Hope, who wrote to him in 1990, requesting help for their community. The UPS Foundation learned of the needs and stepped in.

"They are the visionaries. They sparked the interest," Espy said of Woodson and Wilson.

Woodson's husband, Gene, 40, a farm worker, thanked Kemp as he walked through the family's house. "I greatly appreciate what he's doing. I'm really grateful," he said.

THE WHITE HOUSE
WASHINGTON

December 21, 1991

Mr. President:

About your note re: private cabinet correspondence. I've watched the operation from the cabinet officer level and I believe that this system works pretty well. Most people perceive that the correspondence goes directly to you. After you review their correspondence it is sent back to them via Cabinet Affairs. I don't think that anyone believes it is widely disseminated.

I will double check this with the cabinet, but I believe my understanding is correct.

A handwritten signature in black ink, appearing to be "J. G.", is located below the typed text. The signature is stylized with a large initial "J" and a long horizontal stroke.



December 21, 1991

Sam:

Just FYI

Re: Cabinet correspondence of the private kind.

I have encouraged Cabinet officers to send in weekly confidential memos to me personally. I, in turn, jot notes on the margins commenting on what they have said and sometimes asking for more info.

The C of S gets copies of the in and out.

Please review this system with ED/E.

Do the Cabinet members feel that this system gives them 'access'? Do they feel that their 'confidential and personal' memos are merely distributed to all WH staff; and thus it is useless to send in such reports. If they feel this way perhaps we should change the way the documents come to me.

Some Cabinet members use this system frequently- some not at all. I try to get back to each one that does use the system, marking up their letters on Saturday mornings at Camp David and sending back the replies on Monday.

Please talk to EDE and then advise what if any changes should be made. Just FYI attached are the 2 that I received late yesterday at week's end.

GB

A large, stylized handwritten signature, likely of George Bush, is written in the center of the page.

FROM THE PRESIDENT

SECRETARY OF LABOR
WASHINGTON

December 19, 1991

*Lynn
Take a
Have a
Merry
anyway
Christmas,
OB*

MEMORANDUM FOR THE PRESIDENT

FROM: LYNN MARTIN *LM*

SUBJECT: General Motors

You may be hearing that the new president of General Motors had no choice. Well, like most things, it's only partly true. He may be new, so therefore not fully to blame for former management errors, world conditions, or slow recovery....

But the timing of the announcement may be one other indication of why GM is out of sync with the American consumer. To announce 74,000 layoffs a week before Christmas is lousy. *12-21*

Mr. President, the ripple effect is tremendous -- not just literally but psychologically. The excuse for the announcement was that rumors had started.

Well, the announcement has left a wake of uncertainty and despair. And look at what they did to the positive news of your jobs announcement on the Highway Bill.

We may need downsizing; we must be competitive. But the company that just a few years ago gave huge executive bonuses before announcing hard layoffs has done it again.

You can tell I'm ticked -- for the people that deserved better.



Tack
Coat paint!
OJ

Dear Mr President

as your "lone ranger" in the
inner city, I want to remind your
staff & D.P.C., that your HOPE &
Enterprise zone initiative for jobs & opportunity
must be part of any "anti-drug" strategy. Ryoko,
J.K.

The Secretary of Housing and Urban Development