

**SYSTEMIC
IMPLICATIONS REPORT**

**U. S. Department of Housing
and Urban Development
Office of Inspector General
*Office of Investigation***

AGENT: [REDACTED]

DISTRICT/OFFICE:

[REDACTED]

DATE: October 15, 2010

A. Description of Systemic Deficiency:

This case originated as a result of an investigation alleging that an unauthorized person gains access to the LOCCS system and inappropriately dispursed grant funds. A congressional grant was earmarked for a community in Louisville, KY to build a community center serving two neighboring communities. The grant was in the name of [REDACTED] was to be a partnering association not listed as a subgrantee. When [REDACTED] ultimately lost interest in the project, [REDACTED] took over the grant and was able to correspond with the Congressional Grants Division in Washington, D.C. and drawdown the funds to complete the project. [REDACTED] used the Tax ID number of [REDACTED] as well as their 501 c (3) designation as a non-profit organization against the will of [REDACTED]. When correspondence was sent to the Congressional Grants Division outlining [REDACTED] continued role in the project, [REDACTED] told his employee not to pay out on the grant until the office heard from [REDACTED]. During this period, another member of the Congressional Grants Office approved the drawdown and [REDACTED] received the entire grant. (b) (7)(E)

B. Suggestions to Correct Deficiency:

Based on the findings established by this investigation, this office has identified systemic program weaknesses and/or vulnerabilities (b) (7)(E), (b) (7)(C)

[REDACTED]

Lack of Grant Monitoring

(b) (7)(E)

[REDACTED]

(b) (7)(E)

Corrective Measures Suggested:

(b)
)
(5
)

[Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

[Redacted]

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