

Dear Jeffrey Dinowitz,

Thank you for your letter regarding your concerns about private contracts with Nation of Islam-affiliated security services at public and assisted housing facilities.

This Administration will not tolerate, or knowingly support, any form of anti-semitism, racism or other civil rights violation by any group. I hope that the Department of Housing and Urban Development's response to your previous letter was helpful in describing in detail our efforts to ensure this is not occurring in HUD programs.

I assure you that HUD will continue to be forceful in its efforts to ensure that there is no discrimination in its programs and activities. Thank you again for writing. You have my best wishes.

Sincerely,

BC

Thank you for your letter regarding your concerns about private contracts with the Nation of Islam for security services at public and assisted housing facilities. *I apologize for delay in responding*

This Administration will not tolerate, or knowingly support, any form of anti-semitism, racism or other civil rights violation by any group.

As you know, the Department of Housing and Urban Development does not directly contract for security in public or assisted housing developments. The 3,400 public housing authorities and 17,000 private assisted housing facilities hire their own security without any required approval from HUD. As part of an effort to emphasize local control over management issues, HUD only reviews these decisions in limited circumstances. *2*

Last spring, HUD Secretary Henry Cisneros ordered an extensive review of all contracts between federally assisted housing providers and Nation of Islam security firms to assure that the contracts comply with contract non-discrimination provisions, contract performance, proselytizing or improper religious recruitment, discrimination or harassment toward residents. HUD's review found no widespread violations of fair housing and equal opportunity laws in the areas reviewed. Isolated violations of HUD guidelines such as proselytizing on housing sites were met with immediate action to eliminate and correct such conduct.

Since *did more vials of proc int rules resulting in HUDs ordering the cancellation* this review, ~~HUD has ordered~~ *of* contracts canceled with security service organizations in Baltimore, Chicago, and Washington, D.C. ~~due to violations of procurement rules.~~ HUD will continue to be forceful in its efforts to ensure that there is no discrimination in its programs and activities.

I appreciate your taking the time to write to me regarding this important issue, and I will continue to work toward a nation free of anti-semitism, racism and other manifestations of hatred. You have my best wishes.

Amy: See 9/5^{3/2} testimony

- Can we firmly say Admin won't ^{tolerate or} support anti-semi?

- HUD review looked at:



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

TO: AX
3-11-96
S/Sig

Mr. David H. Strassler and
Mr. Abraham H. Foxman
Anti-Defamation League
of B'nai B'rith
823 United Nations Plaza
New York, NY 10017

Gentlemen:

Thank you for your letter of November 10, 1995, and for providing me a copy of the Anti-Defamation League's independent review of Nation of Islam-affiliated contracts at various public housing and assisted housing sites.

In my conversations and correspondence with you, I have explained the Department's limited jurisdiction in addressing the many concerns you raised about the existence of these contracts. The Department has taken all the steps it can take to address any civil rights issues which have arisen in this matter. The Department investigated the sites mentioned in your report and took corrective action in those instances where proselytizing was occurring. The Department will respond if someone files a complainant alleging they have been injured by a discriminatory practice, but presently the Department has concluded its review of the civil rights issues raised in this matter.

Our review has shed light on many contract and procurement problems associated with the award of some of these contracts. I would like to update you on the latest developments in the Department's on-going review of the contract performance of the Baltimore and Chicago housing authorities with respect to their contracts with Nation of Islam-affiliated security firms.

HUD's review of the Housing Authority of Baltimore City (HABC) was conducted at the same time as a protest filed with the Department's Maryland State Office by a competing firm (Wells Fargo) which alleged procurement irregularities. The competing firm also filed a law suit against the HABC based on the same allegations.

The Department carefully examined the facts and found that the HABC had violated federal procurement regulations on two occasions. The first instance was when the HABC initially ranked proposals and awarded the contract to the NOI Security Agency, Inc. At that time, the Department reviewed the procurement process and found that the HABC violated the procurement regulations by not properly ranking proposals based on the factors specified in the Request for Proposals (RFP). The HABC was given the opportunity to correct its regulatory violations by re-ranking the proposals. Again, the HABC failed to properly rank firms in accordance with the evaluation factors specified in the RFP. The HABC also introduced evaluation factors not provided in the RFP. Both of these actions violate federal procurement regulations.

As a result of these violations, the Department instructed the HABC to terminate the contract with the NOI Security Agency, Inc. and award the contract to Wells Fargo. The NOI Security Agency, Inc. initiated litigation against the Department and the HABC. The NOI Security Agency, Inc. petitioned the court for a Temporary Restraining Order (TRO), prohibiting cancellation of their contract. The Court denied the request for the TRO and the NOI Security Agency, Inc. contract was terminated at midnight, December 13, 1995. The contract with Wells Fargo started at 12:01 a.m. on December 14, 1995. The litigation with the NOI Security Agency, Inc. is still pending. The NOI Security Agency, Inc. has appealed the Court's refusal to grant the TRO and the Department has filed a motion to dismiss this case.

The Chicago Housing Authority (CHA) had two contracts, one with a public housing development, Rockwell Gardens and one with two Section 8 properties, Ogden and Maplewood Courts. With regard to Rockwell Gardens, in 1994 the CHA contracted with a joint venture, William Moorehead and Associates and New Life Development, to provide management and security services. The initial term of the contract was for one year with an option to renew for another year. It was determined that the CHA could continue this contract on a month-to-month basis while the CHA issued a single solicitation for the private management of approximately 7,500 units, including those in Rockwell Gardens. The CHA issued the solicitation in August 1995 and is expected to award the first contracts, which will include Rockwell Gardens, by April 1, 1996. The private management firms, individually, will contract for security services at the respective projects.

With regard to the Section 8 properties, in 1992 the CHA contracted with another joint venture, Near North Side and William Moorehead and Associates. The joint venture hired City Wide/New Life Development to provide security services. The management contract was for a period of two years with the option to renew for another year. The current contract has been extended on a month-to-month basis until its final extension expires on March 31, 1996.

The NOI-affiliated contract at the Dayton Metropolitan Housing Authority expired January 31, 1996.

Thank you for your interest in this matter. I trust that now that the ADL has conducted its own in-depth review into this matter, you have a better understanding of the legal authorities that guided the Department's review and what steps we were able to take to address the many concerns that have been raised about these contracts.

Sincerely,

Henry G. Cisneros



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THE ASSEMBLY
STATE OF NEW YORK
ALBANY

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Developmental Disabilities
Oversight, Analysis and Investigation

November 28, 1995

William J. Clinton, President
The White House
Washington, D.C. 20500

Dear President Clinton:

I am outraged that the United States government has continued to provide funding for the Nation of Islam security companies. These security affiliates have reportedly engaged in proselytizing, handing out racist and anti-Semitic literature and selling religious items at housing projects while being paid by federal taxpayer dollars. The government should not be used to promote such racism and anti-Semitism as advocated by Louis Farrakhan, the Nation of Islam or any other group or individual.

The recent action of Housing and Urban Development Secretary Henry Cisneros to order the Baltimore Housing Authority to cancel its contract with an affiliated security company of the Nation of Islam is a step in the right direction to combating this type of government sponsored racism.

The Nation of Islam, which will not hire whites, Jews, Latinos, women or anyone other than male members of the Nation of Islam, should not be allowed the opportunity to continue to exploit government funding the way they have been doing.

Residents of my community believe that the government should put an end to the funding of Nation of Islam security groups which are promoting racism. I have enclosed petitions which have been signed by residents of this community.

Please help to end this federal taxpayer funded racism. Thank you for your attention to this matter.

Sincerely,

Jeffrey Dinowitz
Member of Assembly

- investigation of all ^{there is no excuse} o
- They ^{say} must ^{that} all funds should not be used to
support anti-semitism

17100-5118
WH-112578

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

NOV 30 1995

Honorable Jeffrey Dinowitz
New York Assembly
Albany, NY 12248

Dear Mr. Dinowitz:

President Clinton received your letter of April 26, 1995, and has asked the Department of Housing and Urban Development (HUD) to respond to you regarding your concerns about private contracts between security firms associated with the Nation of Islam and public and assisted housing facilities. Allow me to respond and address your concerns and explain more precisely the status of our ongoing review, which has not been fully and accurately reported in various news articles. This letter should answer all your questions to date.

At the present time, please be assured that HUD has not "exonerated" the subject security companies. As stated in Secretary Cisneros' testimony on March 2, 1995, our initial review, although thorough and detailed, was limited in scope. The review focused on compliance with contract non-discrimination provisions, contract performance, proselytizing or improper religious recruitment, discrimination or harassment towards residents, as well as any complaints and grievances that had been filed against the security firms. The results of the nearly 1,000 interviews illustrated that there were no "widespread or systematic" problems in the areas reviewed.

To the extent that the facts have established some isolated and/or short lived incidents of violations applicable to HUD programs such as proselytizing on the housing sites, I can assure you that HUD has taken immediate action to eliminate and correct, any such conduct identified in the review. We have, for example, contacted and sent a letter to each of the housing providers involved advising and warning them that the failure to assure compliance with civil rights requirements can result in the initiation of administrative sanctions. The sanctions include declaration of breach of the ACC or Regulatory Agreement, findings of non-compliance with Title VI and/or Section 109, the issuance of Limited Denial of Participation orders for HUD programs, and possible debarment from participation in government contracting programs.

Despite our efforts described above and as the Secretary stated in his testimony, we consider our review of this situation to be ongoing. Based on our analysis of evidence collected prior and subsequent to the hearing we are continuing to monitor the resolution of some outstanding issues. Below is a summarized status report of this review.

On-site Investigations re: discrimination towards residents

As you recall, the Office of Fair Housing and Equal Opportunities (FHEO) conducted compliance reviews under Title VI of the Civil Rights Act of 1964 and Executive Order 11063 of public housing authorities and assisted housing providers which had security contracts with firms possibly related to the Nation of Islam. The Secretary testified about these on-going compliance reviews at the March 2, 1995 hearing.

Subsequent to the hearing and after reviewing the voluminous materials amassed during its review, FHEO decided to follow up at those sites where the interview notes indicated that some possible civil rights-related problems may have existed. These sites were at assisted-housing developments in Pittsburgh and Buffalo, New York. FHEO also decided to review the assisted housing development in Brooklyn, New York in response to Assemblyman Jules Polenetsky's testimony at the hearing. HUD sought clarification of the tenants' statements, more information to determine whether there were any incidents of religious proselytizing and racial/religious harassment by the guards, and management's response to these alleged incidents.

In sum, FHEO found:

- o In each case, the tenants had not filed complaints with management or any other authority;
- o None of the persons interviewed wished to pursue any fair housing complaints based on statements made by the guards;
- o The two Pittsburgh developments, which were the sites with the most potential problems, have terminated the contracts with NOI Security Agency, Inc.; and
- o There was no evidence of religious displays or current proselytizing at the Brooklyn assisted-housing development.

Further:

- o FHEO discussed with all the management firms the need to be mindful of any problems between tenants and the guards and to ensure that the tenants understand their

right to file grievances if they believe the guards act inappropriately, or demonstrate any racial or religious bias in carrying out their job.

Consequently, HUD's compliance review to ensure civil rights in housing is completed.

Baltimore (NOI Security Agency, Inc.)

The Department is currently (1) seeking quick resolution of audit discrepancies found by the HUD Office of Inspector General concerning the Baltimore Housing Authority's procurement of security services at several of its housing developments and (2) investigating issues relating to licensing procedures and alleged outstanding tax debts.

Allow me to first describe the procurement issue. Sometime in early 1994, the Housing Authority of Baltimore City (HABC) announced a bidding competition for a security services contract for all four of its family high-rise developments. NOI Security Agency, Inc. (NOISA) was selected by the HABC from among the other bidders. A one year contract was executed in January 1995 for an estimated total cost of \$4.6 million.

Wells Fargo Guard Services, the next highest rated firm, filed a protest with the Department's Maryland State Office. After reviewing the selection process, HUD concluded that the HABC violated Federal procurement regulations in the evaluation and award of the NOISA contract. HABC was given three options: (1) allow the contract to remain in place and repay the approximately \$1.1 million difference between the NOISA cost and what it would have cost had HABC selected Wells Fargo, (2) re-rank the proposals and, if necessary, terminate the contract with NOISA and award it to Wells Fargo, or (3) resolicit and award a new contract. Within a week after the issuance of this mandate, with proposed remedies, Wells Fargo filed suit with the Circuit Court for Baltimore City.

HABC chose to re-rank the proposals (option 2) and again selected the NOISA. Wells Fargo filed a second protest with the Department's Maryland State Office.

Concurrently, both the HABC and Wells Fargo petitioned the Circuit Court to delay a decision pending completion of HUD's review of the HABC's recent re-ranking and Wells Fargo's second protest. The Court granted the request on July 31, 1995 and rescheduled its hearing date to August 24, 1995. The HUD Baltimore Office, therefore, is currently assessing whether the HABC re-ranking process complied with the Federal procurement standards.

In addition to the procurement issue, the Department is reviewing evidence pertaining to the status and validity of NOISA's license to operate as a security firm in Maryland, as well as allegations that NOISA did not pay state and federal withholding and unemployment taxes. The Department is continuing its review of available records and requesting additional information and evidence concerning NOISA.

Chicago (New Life Self Development Co.)

The two contracts where the New Life Self Development Company (New Life) provides security services for the Chicago Housing Authority (CHA) expired in mid-1995, and continue on a month-to-month basis as provided by their contract terms. The CHA, as required by their contracts, sought HUD approval on May 11, 1995, for the extension of the contracts for another year.

As you know, HUD has recently taken over the CHA. With regard to the New Life security contracts, HUD has decided not to approve the extension of the contracts, and will instead re-bid the contracts in order to obtain new security services contracts for the three developments involved: Rockwell Gardens, Maplewood Courts, and Ogden Courts.

In the meantime, HUD is reviewing evidence concerning the status of New Life's license at the time of its original application to the CHA, as well as compliance with contract provisions. The Department is accordingly continuing its review of available records and requesting additional information and evidence concerning New Life.

New York (X-Men Security, Inc.)

At the March 2, 1995 hearing Assemblyman Polenetsky testified about alleged proselytizing by the X-Men Security Company (X-Men) at the Ocean Towers assisted-housing site in Brooklyn, New York. During our initial review, FHEO investigators interviewed over one hundred residents at the complex about the alleged practices, summaries of which were submitted to the subcommittee as part of the Department's report on the initial review. Those interviews did not reveal any widespread problems in this area. However, as stated above, since the Secretary's appearance before the subcommittee on March 2, 1995, HUD investigators followed up on those allegations by visiting the Ocean Towers site. The FHEO reviewers interviewed the principals of BSR Management (the company that manages Ocean Towers), tenant representatives, the on-site manager, and also observed the guard booths and bulletin boards throughout the complex. The FHEO investigators have assured me that although there were accounts of possible past improprieties, no proselytizing is presently occurring at that site.

In addition, the X-Men contracts have been terminated from the federally assisted Shoreline I and II developments in Buffalo, New York due to lack of insurance. These contracts were originally executed in October 1994 and totaled \$126,000.

Washington, D.C. (NOI Security Agency, Inc.)

The District of Columbia Housing Authority (DCHA), formerly the Department of Public and Assisted Housing (DPAH), had a contract with a private firm to provide security services for the Potomac Gardens public housing development. The contract period was from May 2, 1994 to May 2, 1995. DCHA was not able to conduct a public solicitation for a new contract by May 2, 1995 when the existing contract expired.

Consequently, the DCHA, utilizing the emergency procurement procedures, contracted with the NOI Security Agency, Inc. for a two week period pending completion of a competitive solicitation. Due to problems with the solicitation and the need to readvertise, the contract was extended to June 2, 1995.

During the period of the solicitations, the Court-appointed Receiver took over the DCHA. The Receiver cancelled the NOI Security Agency, Inc. contract and executed an Intergovernmental Agreement with the Washington, D.C. Metropolitan Police Department to provide security for Potomac Gardens through September 1995. Most recent discussions with the Receiver indicate that the DCHA will likely extend the Agreement with the Metropolitan Police.

In addition, the NOI Security Agency, Inc. contract with the Parkside Terrace Apartments (federally-assisted development) expired in April 1995 and the contract was not renewed. The NOI contract amount was \$13,328 per month. The management office at Parkside Terrace now contracts with Unlimited Security, Inc. for its security needs.

Employment discrimination allegations

As explained previously, the civil rights statutes over which HUD has jurisdiction generally do not give HUD jurisdiction over employment discrimination unless (a) the primary objective of the federal financial assistance is to provide employment, or (b) employment discrimination impacts upon the beneficiaries of the public or assisted housing program involved. HUD has not uncovered evidence to this effect. As stated in the Secretary's testimony, our initial compliance review did not reveal any employment discrimination complaints.

Despite the Department's limited authority to investigate employment discrimination under Title VI, the Department requested the voluntary cooperation of the security firms in

providing employment records to the Department. Since the Secretary's testimony, the Department has received some employment information from one of the security firms. This information does not reveal discrimination in the firm's employment practices or indicate that the Department should reconsider its conclusion that the employment practices of the firms are not impacting upon the civil rights of the residents of public and assisted housing. The Secretary testified at the hearing that the security firms had failed to provide employment records to HUD or to the public or assisted housing providers and that the United States Equal Employment Opportunity Commission (EEOC) is the appropriate agency to address the subcommittee's employment discrimination concerns.

On May 4, 1995, the Secretary sent a referral letter to the Chairman of the EEOC asking him to review the allegations pursuant to the EEOC's jurisdiction under Title VII of the Civil Right Act of 1964 and referring the security firms' apparent failure to file reports with the EEOC as mandated by the EEOC's regulations. After discussing this issue further with the Chairman of the EEOC, I learned that the EEOC will not investigate allegations of employment discrimination in this matter in the absence of a complaint. Given HUD's limited authority to investigate these issues it was our decision to refer the employment issues to the EEOC.

I respect your concerns about the Department's action in reviewing these contracts. I hope that we have answered your questions, and please feel free to contact me again if you have any further comments. As these investigations are completed we will keep you apprised and stand ready to answer any follow-up questions and concerns.

There is no time or place for anti-semitism, racism or any other manifestation of cruel hatred and inhumanity, in our nation; a nation founded upon a doctrine of respect for the dignity of every person and governed by laws which guarantee freedom of religion and protection from discrimination. Therefore, I understand the reasons for the concerns raised by these investigations, and the Secretary also commits to you that, under no circumstances, will he tolerate violations of civil rights by any group.

Sincerely,

Ann R. Aldrich

Ann R. Aldrich, Director
Executive Secretariat

cc: See Addressees

ADDRESSEE LIST

Assemblymember J. Brennan
Assemblymember Jules Polonetsky
Assemblymember E. Dugan
Senator O. Kruger
Assemblymember E. Connelly
Assemblymember S. Colman
Assemblymember D. Sidikman
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United States Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

FAX TRANSMITTAL SHEET

PLEASE DELIVER THE ATTACHED FAX TO:

Molly Brostum
Domestic Policy Council
The White House
Telephone: (202) 456-5561
Facsimile: (202) 456-7028

*Current
Response to Dinowitz:*

*from POTUS
or HUD?*

- we want to not support...
- as you know, sec'l contract ended. *no ongoing?* Reviews should no syst probs.
- understand your concern...

FROM:

Bryan Greene, Special Assistant to the
Deputy Assistant Secretary for
Enforcement and Investigations
Telephone: (202) 708-4211
Facsimile: (202) 401-6862

Number of Pages (including this page): 22

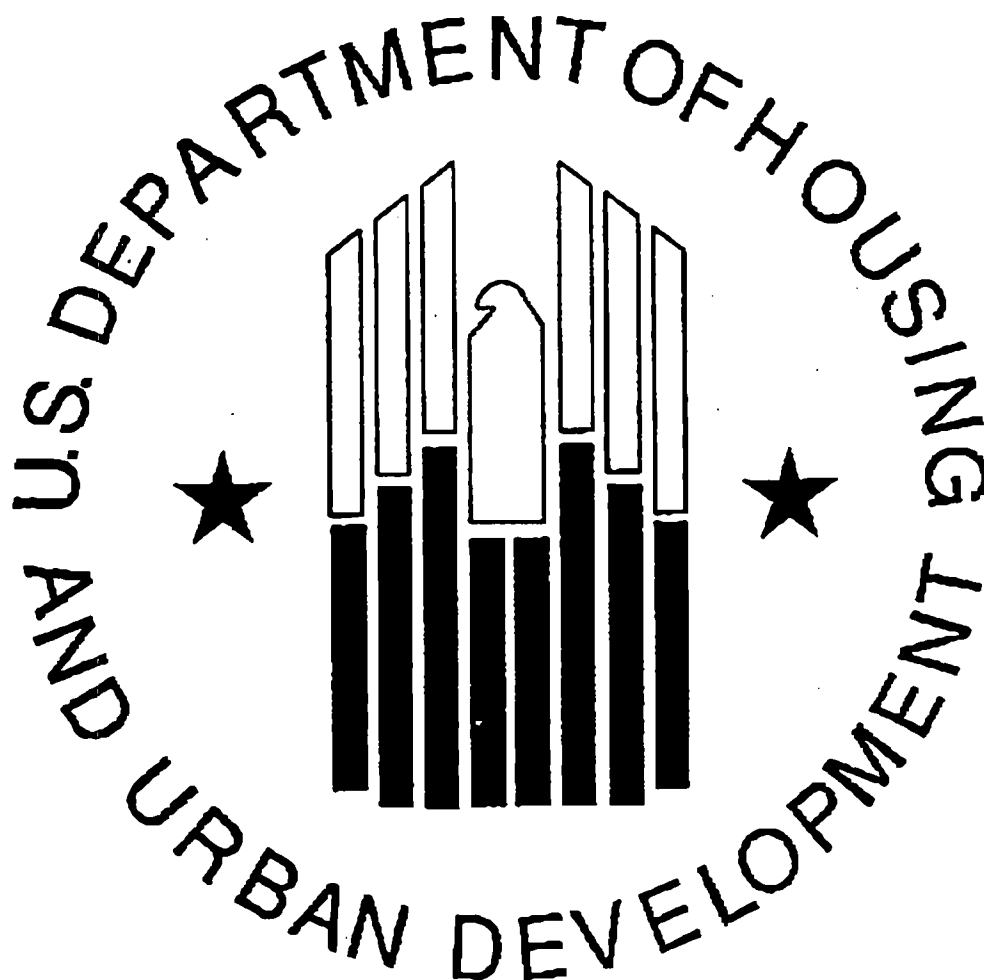
As we agreed, I am transmitting the following:

- ◆ The Secretary's testimony before the House Committee on Banking and Financial Services Subcommittee on General Oversight and Investigations on 3/2/95 (7 pages)
- ◆ Response to Jeffrey Dinowitz and 28 other Members of the New York State Legislature on 11/30/95 (7 pages)
- ◆ Letter from Rep. Peter King regarding employment discrimination and the Department's response, dated 12/4/95 (4 pages)
- ◆ Draft letter, responding to the Anti-Defamation League 3/96 (3 pages)

**HOUSE COMMITTEE ON BANKING
AND FINANCIAL SERVICES
SUBCOMMITTEE ON GENERAL OVERSIGHT
AND INVESTIGATIONS**

Washington, D.C.

March 2, 1995



Testimony prepared for

SECRETARY HENRY G. CISNEROS

I welcome the opportunity to appear before the Committee on Banking and Financial Services, Subcommittee on General Oversight and Investigations and to provide you with information the Department of Housing and Urban Development has obtained regarding certain private contracts for security services at public and assisted housing facilities. I am also pleased to provide the Subcommittee with data on the administration and operation of contracts for security that have been entered between public and assisted housing providers and security firms which are allegedly connected with the Nation of Islam.

A number of general concerns were expressed during the past year in news reports and in letters from Members of Congress and private organizations that security contracts at public and assisted housing facilities were being awarded to the Nation of Islam and groups affiliated with the Nation of Islam. During that period, the Department of Housing and Urban Development (HUD) received no individual complaints alleging discriminatory actions involving these contracts. However, the Department initiated a review of these contracts, as a result of a request from Senator Robert Dole and other Members of Congress, in order to assure that the contracts complied with civil rights requirements.

I want to state at the outset of this hearing the main points that are involved in this matter. I will thereafter explain each of them in more detail.

First, it is the local public housing authorities and local private housing providers, not HUD, who do the contracting for services such as security. These local authorities and housing providers are local government bodies or private firms existing under State law which own and operate their own housing programs for low-income families. In most cases, these local public and private providers have full authority to make their own contractual decisions without HUD approval. In fact, HUD is not even a party to these contracts.

Second, HUD does not support intolerance or hatred by any organization. The Department has been forceful in its efforts to assure that there is no discrimination in its programs and activities.

Third, the security firms we have identified are separate legally incorporated entities, distinct from the Nation of Islam. Even if there is an affiliation between the security firms and the Nation of Islam, thousands of local housing providers throughout the country obtain services and conduct some form of secular-related business with various organizations such as B'nai B'rith, Habitat for Humanity, Catholic Charities, Lutheran Social

Services, United Church Homes, and the Salvation Army which are also associated with religious institutions. The Establishment Clause does not forbid such activity.

Fourth, there is concern that contracting with the Nation of Islam results in providing funds to a "hate group." The term "hate group," is not defined by the Department of Justice's statutes or regulations, but it may prosecute individuals who commit acts of prejudice. Although the DOJ does not keep a list of "hate groups," the FBI does maintain a list of groups known to have committed terrorist acts. The Nation of Islam is not on that list. In addition, in the last five years, the Department of Justice has filed no criminal prosecutions alleging hate crimes by members of the Nation of Islam.

Finally, since these security firms first began their work in 1988 and throughout our review, there have been no complaints filed against these firms regarding any inappropriate religious activity. In fact, the findings of close to 1,000 interviews of residents and management illustrate that these security guards have been effective in transforming many drug-ridden properties into places that are now safe and peaceful.

As the Secretary of Housing and Urban Development, I want to state unequivocally that this administration at HUD condemns hatred and does not in any way support bigotry. We have been aggressive, forceful, and tenacious in addressing all forms of discrimination in HUD-funded housing programs through vigorous enforcement of civil rights requirements, including those prohibiting racial, religious, and national origin discrimination. We have initiated administrative action to debar or limit participation in cases where housing providers have been found to have violated civil rights requirements. However, Federal enforcement must be tempered by the Constitutional right to free speech and religion.

Let me also point out a critical distinction regarding the matters before the subcommittee today -- HUD is not a party to the security contracts about which you have expressed concern. Contracts for services at public and assisted housing facilities are entered into between the local housing providers and the contractors for the services. In many cases, these providers are local private enterprises that own and manage their own housing facilities for low income families. As a result, HUD is a distinct and separate entity from them with respect to the operation of their housing facilities. In most cases, these local government authorities and private developers have full authority to make their own contractual decisions without HUD approval.

Allow me to explain this important point somewhat further. There are 3,400 public housing authorities and more than 20,000 private assisted-housing developments throughout the country. HUD does not and cannot track and approve every single service

contract executed by the thousands of local public housing authorities and tens of thousands of privately owned properties. Such direction and intrusion on local and private decisions by the government would amount to the type of "big brother" overview and micromanagement which this country is moving away from. Such excruciating controls from the top obstruct the delivery of basic housing services and they take these basic decisions away from the local leaders and providers who know best how to set and achieve their community and housing needs.

Moreover, such oversight by HUD would slow down HUD's efforts to deregulate and turn management issues over to local government, proposals supported in principal by lawmakers. That is why this particular review has been logistically difficult since the type of information asked for is not the type of data which HUD keeps in its files. However, I do acknowledge that while these providers are independent of this department, they must follow federal requirements in the operation and administration of their housing, including specific prohibitions against discriminatory acts.

Most of the attention to this issue appears to have begun with the perception that contracting with the Nation of Islam or a business connected with the Nation of Islam results in providing funds to a "hate group." The Department of Justice, Civil Rights Division, maintains that the terms "hate group" and "hate crime" are colloquialisms and not terms of art, and thus, are not defined in DOJ's statutes or regulations; nor is a list of "hate groups" maintained by DOJ.

The FBI Domestic Terrorism Unit, however, maintains an internal list of groups known to have committed terrorist acts which is at times used as an indicator of hate groups or hate crimes. Organizations such as the Aryan Nation are on that list, the Nation of Islam is not. In addition, in the last 5 years the United States has prosecuted more than 50 criminal actions against members of so-called hate groups, alleging violations of civil rights. Although these "hate crimes" prosecutions have involved members of the Ku Klux Klan, the Aryan Nation and Skinheads, none of the actions have involved members of the Nation of Islam.

Our review has identified some local contracts with security firms which are run by persons who practice the Islamic faith. However, we have not found local security contracts directly with the Nation of Islam or with Minister Louis Farrakhan or Khalid Muhammad. The security firms we have identified appear to be legally incorporated entities, distinct from the Nation of Islam. Our review to date supports a conclusion that there is a clear distinction between the incorporation of the Nation of Islam and the incorporation of the security firms under review.

In the case of one contract identified, it appears that a contractor with a housing authority may be affiliated with the Nation of Islam. Our review has disclosed, however, that this contract is for the provision of community services and does not involve tenant security. We have included this contract in our review as well.

Even if it is found that these firms are in some way affiliated with the Nation of Islam, federal law does not permit a local housing provider to refuse to contract with firms because of their religious affiliation. In fact, there are many cases where the religious affiliation of a firm is not known, since such inquiries are typically not made.

We do know, however, that many local housing providers throughout the country obtain services for their housing programs from organizations such as B'nai B'rith, Habitat for Humanity, Catholic Charities, Lutheran Social Services, United Church Homes, and the Salvation Army. While these might not be religious organizations, they are in many ways associated with religious institutions. Many of these religious-based organizations are also sponsors under our Section 202 Housing for the Elderly and Handicapped and Section 811 Supportive Housing for Persons with Disabilities programs. The Establishment Clause does not forbid such activity where the sources or facilities being provided have secular purposes. Further, the Religious Freedom Restoration Act of 1993 would be violated if the Department does not continue to permit these organizations to participate in its housing programs.

In fact, the involvement of the Nation of Islam in public and assisted housing began in the previous administration. In April 1988, members of the Nation of Islam began voluntarily patrolling Mayfair Mansion and Paradise Manor Apartments, low-income assisted housing operated by a private housing provider in Washington, D.C.

Sometime in 1989, Mayfair Mansion and Paradise Manor separately contracted with the volunteers who had formed a security firm named Fruit of Islam (FOI) which appears to have been headquartered in Washington, D.C. At some point, FOI became NOI Security Agency, Inc. (NOISA)

According to various news stories, the work of the volunteers and the Fruit of Islam received praise from then Secretary Jack Kemp and NOISA reported in brochures how it received support from then First Lady Barbara Bush for its work in providing security to residents.

It is not surprising, therefore, that the vast majority of close to 1,000 residents interviewed during the review of current contracts informed us of broad satisfaction and overwhelming

support for the efforts and work of the security firms. Many of these residents said that the security guards had transformed their troubled, unsafe, and drug-ridden housing developments into places where there are now low vacancy rates, safety, and peace.

They said the guards, for the most part, were "respectful" of, or showed "respect" toward them as residents. Almost all the residents interviewed lauded the job that the reviewed firms have done and asked that the contracts not be terminated.

As I indicated at the beginning of my testimony, I am, nevertheless, concerned about the general allegations of possible discrimination raised by Members of Congress and other organizations in connection with these private contracts at the local public and assisted housing facilities. In response to these concerns, I recently initiated a review of any security contracts with the Nation of Islam and any organization or firm identified with the Nation of Islam.

As a result of our review of contracting activities of 3,400 public housing authorities and more than 20,000 private housing facilities, we initially found 11 current local security contracts with firms that might be connected with members of the Nation of Islam. Two of those contracts were terminated last week, which brings the number of current contracts today to nine. Again, remember that HUD's data systems do not track individual contracts executed by the tens of thousands of individual public housing authorities and privately owned properties. In addition, most properties do not maintain records for past contracts. Our complex and time-consuming review consisted of herculean efforts to gain this information from the various local housing providers.

After identifying these contractors, a multidisciplinary HUD review team headed by Roberta Achtenberg, Assistant Secretary for Fair Housing and Equal Opportunities, conducted an in-depth review of the contracts and their operation to assure compliance with civil rights requirements.

Assistant Secretary Roberta Achtenberg is with me today and she will address the specific findings made in the review. Allow me, however, to make a few general comments on the results of the review.

As in any nationwide survey, the results were mixed. However, as I previously stated, the overwhelming majority of those interviewed praised the performance of the subject companies.

In fact, many of the complaints received by the residents related to the firms' strict security enforcement of their security policies, such as requiring identification cards when entering the buildings. As to proselytizing activities, it

6

appears, for the most part, that there were isolated, short-lived incidents where the guards distributed the Nation of Islam newspaper, The Final Call, on the premises of the developments.

HUD's field review is completed and we have documented reports as to the firms' performance, treatment towards the residents, and proselytizing activities. As a general matter, the results do not indicate any widespread or systematic problems in these areas. There are no known complaints of discrimination or harassment towards the residents and there is no indication that these firms are interfering with the residents' enjoyment of their housing facilities. On the contrary, there is now evidence that in many cases, these firms have improved the quality of life in public and private assisted-housing development.

However, to ensure that public housing authorities and assisted providers are aware of the civil rights requirements that flow from receipt of federal funds from HUD, we have sent a letter to each of the housing providers involved advising them that the failure to assure compliance with civil rights requirements can result in the initiation of administrative sanctions including declaration of breach of the ACC or Regulatory Agreement, findings of non-compliance with Title VI and/or Section 109, the issuance of Limited Denial of Participation orders for HUD programs, and possible debarment from participation in Government contracting programs.

Assistant Secretary Roberta Achtenberg will now address the specific findings of the review. I would be happy to address any questions that you may have regarding my testimony or the ongoing Department review of security contracts.

Thank you again for providing me with this opportunity to address the Department's efforts to assure that its programs are operated and administered in a manner to assure that the goal of providing decent, safe and sanitary housing for low-income families is accomplished without any discrimination based on race, color, religion, sex, disability, familial status or national origin.

PETER T. KING

Member of Congress
Third District, New York
224 CANNON BUILDING
WASHINGTON, DC 20515-3203
(202) 225-7896

1003 PARK BOULEVARD
MASSAPEQUA PARK, NY 11762
(516) 541-4225

Congress of the United States

House of Representatives

Washington, DC 20515-3203

COMMITTEE ON BANKING
AND FINANCIAL SERVICES
COMMITTEE ON INTERNATIONAL
RELATIONS
VICE CHAIRMAN
SUBCOMMITTEE ON INTERNATIONAL
OPERATIONS AND HUMAN RIGHTS
CONGRESSIONAL HUMAN
RIGHTS CAUCUS
WHIP, NEW YORK STATE
REPUBLICAN DELEGATION

September 12, 1995

Honorable Henry Cisneros
Secretary
Department Of Housing & Urban
Development
451 7th St SW
Washington, D.C. 20410-0001

Dear Mr. Secretary:

Enclosed is a copy of a letter I recently received from David Doblack. Mr. Doblack has received no response to an employment application he filed with Nation of Islam Security, Inc last year.

I would appreciate your review of Mr. Doblack's letter and an explanation of how this matter will be investigated by your agency.

I look forward to your expeditious reply.

Sincerely,



PETER T. KING
Member of Congress

PTK/koh

AUG 11 1995

DAVID DOBLACK
OLD CHELSEA STA.
NEW YORK NY
10113-1540 USA

JUN 3 1994

Dear Sirs
Nation Of Islam
Security Inc.
2033 5th Ave., 3rd. Floor
New York, NY

I am writing to you to inquire about the possibility
of becoming a Security Guard for Nation Of Islam Security Inc.

I feel that I should mention to you that I am white
and Jewish.

Would it be possible for us to meet to discuss further
my chances for employment?

Sincerely,



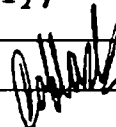
David Doblack

AUG. 27 1995

Dear Sir
Honorable Peter King

More than a year ago I applied
for a job with the Nation Of Islam Security Inc.
~~and to the present I haven't got an answer, for~~
~~which I shall assume I've been discriminated.~~

Sincerely,



P.S. See attached copies.



U. S. Department of Housing and Urban Development
Washington, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY FOR
CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS



Honorable Peter T. King
U.S. House of Representatives
Washington, DC 20515-3203

Dear Mr. King:

On behalf of Secretary Cisneros, thank you for your letter of September 12, 1995, transmitting a letter from Mr. David Doblack, who has complained to you that the Nation of Islam (NOI) Security, Inc. has not responded to his employment application.

The Office of Fair Housing and Equal Opportunity (FHED) administratively enforces the Fair Housing Act (the Act) which prohibits discrimination in housing and residential real-estate related transactions based upon race, color, religion, sex, or national origin, handicap or familial status. FHED also enforces Title VI of the Civil Rights Act of 1964, which makes it unlawful for recipients of federal assistance to discriminate in housing programs on the basis of race, color, or national origin.

On August 25, 1995, Secretary Cisneros wrote you to update you on the status of the Department's review of the security services provided at federally assisted developments by security companies which have some affiliation with the Nation of Islam. He also further addressed some of your concerns in a letter to you on November 7, 1995. I hope these letters have satisfied your outstanding concerns about the Department's investigation.

In the matter of Mr. Doblack, Mr. Doblack states in his letter that he is white and Jewish, and that NOI Security, Inc. has not responded to an employment application which he submitted to the company over a year ago.

As the Secretary stated in his August 25, 1995 letter, the civil rights statutes over which the Department of Housing and Urban Development (HUD or the Department) has jurisdiction generally do not give HUD jurisdiction over employment discrimination unless HUD provides financial assistance to a recipient and the (a) the primary objective of the federal financial assistance is to provide employment, or (b) employment discrimination impacts upon the beneficiaries of the public or assisted housing program involved (24 CFR §1.4(c)). NOI Security, Inc. is not a recipient of federal financial assistance from HUD. HUD generally does not provide financial assistance to provide employment as housing is HUD's mission. Further, Mr. Doblack has not alleged that his treatment has impacted upon the beneficiaries of federal financial assistance administered through HUD.

Generally, the United States Equal Employment Opportunity Commission (EEOC) investigates complaints from individuals alleging violations of Title VII of the Civil Rights Act of 1964. The Department has contacted the EEOC on this matter and has learned that your office is already communicating with the EEOC on this matter.

If you have any further questions concerning this matter, or employment discrimination in general, you may contact:

Gilbert Casellas, Chairman
United States Equal Employment
Opportunity Commission
1801 L Street, NW
Washington, DC 20507
(202) 663-4001

I hope the information provided is helpful in responding to your constituent.

Sincerely,

A handwritten signature in dark ink, appearing to read "John C. Biechman". The signature is fluid and cursive, with a long horizontal stroke at the end.

John C. Biechman
Acting Assistant Secretary

3/18

Bryan Greene, HUD

708-4211-2055

Security
- NOI Contracts

NY Ass'n - Mr. Politzke → arg'd ltr from # of Asyblph

We've looked at:

• contract compliance
performance

• contract compliance
+ any possible civil
rts violations
under T.VI

→ addressed

⇒ no knowledge of empl discrim
evidence

(not within
HUD's jurisdiction)

HUD: no authority to investigate
- agencies
- they chose not to provide
answers to these questions

- referred to EEOC - no action
- but no complaint filed

? - whether EEOC can initiate
investig on own

(EEOC contact: Gilbert Casellas,
Chenir

Wren-T.VI

T.VI - past

resident interview

some vague preceptions

race/nat'l origin,
not religion

of contracts no longer
being provided

either as result of contr compliance prob or expired + resub
to offer,

3/17 Anti-Defam League → fill pg
of ad + this yr → ltr

= lots of press:

• Chicago partly

- so far, our review has held
up to scrutiny

did own investigation;

suggestions, but
anecdotal evidence of allegiance
to Farakhan

Bryan:

EEOC will do commission-initiated complaint in limited circumstances:

- in this case:
- not enough employees, evidence
- env't → almost 100% black area
low % of f in security

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

15-Mar-1996 02:24pm

TO: Molly Brostrom

FROM: Jennifer M. O'Connor
 Office of The Chief of Staff

SUBJECT: RE: Response to NY Assemblyman lttr on Nation of Islam secty

I used to be very up to date on this issue, but haven't heard anything about it in probably 6 -8 months. I think you should have HUD do a full briefing for you.

In terms of the response -- I think you are right, he won't be satisfied unless we cancel the contracts. I would beef up the legal/why we can't do it part.

I also suggest you run it by Eric Eve in political affairs.

[519] From: Amy S. Liu 3/15/96 4:29PM (1711 bytes: 31 ln)
To: Amy S. Liu
Subject: Re[2]: NOI Update

----- Message Contents -----

DC, Baltimore, and Dayton, Ohio PHA's have terminated, or expired as applicable.

Both Pittsburgh assisted-housing sites have terminated. Buffalo assisted-housing site has terminated.

Chicago has re-bid the public housing contract for Rockwell Gardens, award expected 4/96; the current guards on the two Sec 8 projects were s'posed to be terminated (actually contract extension was to expire) as of 3/5/96. We are trying to confirm that this happened. There are two Section 8 sites in Chicago that we are also inquiring about. (the above are the two in question-Maplewood and Ogden Courts).

Lastly, Ocean Towers assisted-housing site in Brooklyn still had the X-Men Security company as of 10/18/95. They were reviewing bids for the job then. NY FHCO attempted to contact the management company of the property, but the principals had left for the day. On 10/18/95, the management seemed to be in favor of keeping the X-Men there, citing residents' support.

Bryan

Do we have a status of NOI? (WH is inquiring) E.g. of the 11 contracts that we found that were associates of NOI, how many of those have been terminated? I know of Chicago, D.C. and Baltimore. Any others?

Thanks!

contracts
5 off r
dist'd by
sites cancelled



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

M E M O R A N D U M

TO: Jennifer O'Connor

FROM: Bruce Katz

SUBJ: Review of Contracts Between Recipients of Federal
Financial Assistance and Firms with Possible
Connections to the Nation of Islam

DATE: March 31, 1995

This memorandum provides you with background on HUD has handled the issue of federal funding being provided to security firms with possible connections to the Nation of Islam (NOI). A separate memorandum will summarize the Secretary's March 2nd testimony before a House Subcommittee.

The Department received a number of letters during 1994 from Members of Congress and private organizations expressing concern that the Nation of Islam and firms affiliated with the Nation of Islam had been awarded contracts to provide security at public and federally-assisted housing developments. During that period, the Department received no individual complaints of housing discrimination by the security firms. Nevertheless, in January of 1995, the Department commenced a review of these contracts at the request of Senator Dole and other Members of Congress to ensure that the contracts complied with civil rights requirements.

The Department has not contracted with the Nation of Islam for the provision of security of services. The Department funds local public housing authorities (PHA's) and federally-assisted housing providers who, in turn, enter into subcontracts for various operating services. These PHA's and assisted housing providers are local government bodies or private firms which, in most cases, have full authority to make their own contractual decisions without HUD approval. Also, the security contracts identified are with firms which are separate, legally-incorporated entities, which purport to be distinct from the Nation of Islam, although the principals of these firms and their employees may have other associations with the Nation of Islam.

At the outset of our review, we identified eleven contracts between assisted housing providers and firms that may have some

ties to the Nation of Islam. Four of these contracts were with PHA's in Baltimore, Chicago (two contracts) and Dayton, Ohio. The remaining seven were with private housing providers receiving HUD assistance in Brooklyn, Buffalo, Pittsburgh (two contracts), and Washington, DC (three contracts). All of these contracts were for security services except the one contract in Dayton, which is for the provision of social services. Also, by the time of our March 2, 1995 hearing before the House Subcommittee on General Oversight and Investigations, the two contracts in Pittsburgh had expired. Thirteen other contracts in five metropolitan areas had expired before the Department commenced its review. Those expired contracts were in Los Angeles, Washington, DC (five), Pittsburgh (five), Philadelphia, and Freeport, NY.

HUD conducted its review, in part, under its compliance review authority under Title VI of the Civil Rights Act of 1964 and Section 109 of the Housing and Community Development Act of 1974. HUD also conducted its review in order to determine whether there was evidence to warrant a Secretary-initiated complaint under Title VIII of the Civil Rights Act of 1968. Z

During the recent congressional oversight hearing, questions were raised about the employment practices of the security firms, including suggestions that the firms may discriminate on the basis of race, gender, and perhaps religion. During HUD's review, investigators observed that the security firms' workforces were all African-American and overwhelmingly male. Several members of the oversight subcommittee suggested in their questions that a mono-racial work force was strongly suggestive of discrimination. The American Jewish Congress (AJ Congress), one of the private organizations that has expressed concern about the NOI-related contracts, also alleged possible employment discrimination when, in March 1994, they asked the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) to investigate whether the firms were in compliance with the equal employment requirements for federal contractors. The OFCCP informed the AJ Congress that it did not have jurisdiction over its allegations and referred the matter to HUD. ✓

HUD does not have jurisdiction over employment discrimination unless (a) the primary objective of the federal financial assistance is to provide employment, or (b) employment discrimination operates to deny equality of opportunity or otherwise discriminates against the beneficiaries of the public or assisted housing program involved. HUD has not, to date, uncovered evidence to this effect.

Despite the Department's limited authority to investigate employment discrimination under Title VI, the Department did request the voluntary cooperation of the security firms in providing employment records to the Department. To date, the security firms have failed to provide employment records to HUD or to the public or assisted housing providers. As the

Department has no authority to compel the companies to provide this information, we believe that the appropriate course of action is to turn over any further review of the employment matter to the EEOC. ✓

Since the March 2, 1995 subcommittee hearing, the Chicago Tribune and the Baltimore Sun, have published a series of articles reporting a number of other problems these security firms are facing, including tax evasion, a possible conflict of interest involving a PHA Chairman, charges against guards for "assault with intent to murder," and renewed questions about the inter-relationship between the Nation of Islam and the security firms. Also, the Washington Post reported on March 28, 1995 that the Department of Health and Human Services' Office for Civil Rights is investigating an NOI-affiliated AIDS clinic in Northeast Washington, DC for alleged failure to treat patients who are not African-American.

As the Secretary stated at the hearing on March 2, 1995, the Department's review, although thorough and detailed, was limited in scope. The review focused on compliance with contract non-discrimination provisions, contract performance, proselytizing or improper religious recruitment, discrimination or harassment towards residents, as well as any complaints and grievances that had been filed against the security firms. The results of the nearly 1,000 interviews illustrated that there were no "widespread or systematic" problems in the areas reviewed. The Department, however, has not exonerated the firms. Due to the time constraints imposed by the March 2, 1995 hearing date (only six weeks after we commenced our review), the Department was completing its initial review of these contracts on the eve of the Congressional subcommittee hearing. Since that time, the Department's lawyers have had an opportunity to conduct further review of the documents and the other information collected. ?

The Department will undertake further review of the contracts to determine whether the conduct recently reported in the Baltimore and Chicago press justifies debarment or non-renewal of the contracts. // ?

I await any advice that you or your office may have as the Department continues its investigation.

April 1995



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

Mr. David Kahn
President
American Jewish Congress.
2027 Massachusetts Avenue, NW
Washington, DC 20036

Dear Mr. Kahn:

Thank you for your recent letters regarding private contracts with the Nation of Islam for security services at public and assisted housing facilities. As you may know, the Department of Housing and Urban Development (HUD) has also received many postcards from members of the American Jewish Congress on this issue. Specifically, they voiced objections about HUD's alleged issuance of government contracts to the Nation of Islam. Allow me to address their concerns and explain more precisely the status of our ongoing review, which has not been fully and accurately reported in various news articles. Because we are unable to respond to each postcard individually, I hope that you may disseminate my response to the other members of your organization.

There is no time or place for anti-semitism, racism or any other manifestation of cruel inhumanity in our nation; a nation founded upon a doctrine of respect for the dignity of every person and governed by laws which guarantee freedom of religion and protection from discrimination. Certainly, only harm can come when such hatreds and divisions are injected into the national discourse by religious leaders or as religious dogma, as Minister Farrakhan has done in his references to the American Jewish community. While his words may be protected as free speech, they bring only tension and pain and should be labelled reprehensible by all Americans. There is no concept of religious or civic brotherhood according to which such hatreds and incitements can be justified or condoned.

I sincerely wish that Minister Farrakhan's utterances could simply be ignored. But I know that millennia of history and experience have taught Jews that such inexplicable hatreds as anti-semitism cannot be ignored but must be confronted directly. Therefore, I understand the reasons for the concerns raised by Jewish leaders about public housing contracts with Nation of Islam-related security firms and subsequent concerns about my testimony of March 2, 1995 on the subject before a Congressional Committee.

In order to address both sets of concerns, I will quote directly from my prepared testimony regarding HUD's ongoing review of these security contracts:

"A number of general concerns were expressed during the past year in news reports and in letters from members of Congress and private organizations that security contracts at public and assisted housing facilities were being awarded to the Nation of Islam and groups affiliated with the Nation of Islam. During that period, the Department of Housing and Urban Development (HUD) received no individual complaints alleging discriminatory actions involving these contracts. However, the Department initiated a review of these contracts, as a result of a request from Senator Robert Dole and other members of Congress, in order to assure that the contracts complied with civil rights requirements.

I want to state at the outset of this hearing the main points that are involved in this matter. I will thereafter explain each of them in more detail.

First, it is the local public housing authorities and local private housing providers, not HUD, who do the contracting for services such as security. These local authorities and housing providers are local government bodies or private firms existing under State law which own and operate their own housing programs for low-income families. In most cases, these local public and private providers have full authority to make their own contractual decisions without HUD approval. In fact, HUD is not even a party to these contracts. // ✓

Second, HUD does not support intolerance or hatred by any organization. The Department has been forceful in its efforts to assure that there is no discrimination in its programs and activities.

Third, the security firms we have identified are separate legally incorporated entities, distinct from the Nation of Islam. Even if there is an affiliation between the security firms and the Nation of Islam, thousands of local housing providers throughout the country obtain services and conduct some form of secular-related business with various organizations... which are also associated with religious institutions. The Establishment Clause does not forbid such activity.

Fourth, there is concern that contracting with the Nation of Islam results in providing funds to a "hate group." The term "hate group" is not defined by the Department of Justice (DOJ) statutes or regulations, but it may prosecute individuals who commit acts of prejudice. Although DOJ does not keep a list of "hate groups," the FBI does maintain a list of groups known to have committed terrorist acts. The Nation of Islam is not on that list. In addition, in the last five years, the Department of Justice has filed no criminal prosecutions alleging hate crimes by members of the Nation of Islam.

Finally, since these security firms first began their work in 1988 and throughout our review, there have been no complaints filed against these firms regarding any inappropriate religious activity. In fact, the findings of close to 1,000 interviews of residents and management illustrate that these security guards have been effective in transforming many drug-ridden properties into places that are now safe and peaceful.

As the Secretary of Housing and Urban Development, I want to state unequivocally that this administration at HUD condemns hatred and does not in any way support bigotry. We have been aggressive, forceful, and tenacious in addressing all forms of discrimination in HUD-funded housing programs through vigorous enforcement of civil rights requirements, including those prohibiting racial, religious, and national origin discrimination. We have initiated administrative action to debar or limit participating in cases where housing providers have been found to have violated civil rights requirements. However, Federal enforcement must be tempered by the Constitutional right to free speech and religion."

Please be assured that HUD has not "exonerated" the subject security companies. As I stated in my testimony, HUD's initial review, although thorough and detailed, was limited in scope. The review focused on compliance with contract non-discrimination provisions, contract performance, proselytizing or improper religious recruitment, discrimination or harassment towards residents, as well as any complaints and grievances that had been filed against the security firms. The results of the nearly 1,000 interviews illustrated that there were no "widespread or systematic" problems in the areas reviewed. To the extent that the facts have established some isolated and/or short lived incidents of violations applicable to HUD programs such as proselytizing on the housing sites, I can assure you that HUD has taken immediate action to eliminate and correct any such conduct identified in the review.

Why Right
Conclude

4

However, as I also stated in my March 2, 1995 testimony, I consider HUD's review of this situation to be ongoing. Based on HUD's analysis of evidence collected prior to and subsequent to the hearing we are continuing to monitor the resolution of audit findings made by the HUD Office of Inspector General on the Baltimore Housing Authority's procurement of security services at several of its housing projects. The Department is also examining the NOI Security Agency's compliance with applicable state licensing requirements with regard to security guards in its employ. Further, based on recent newspaper reports, the Department has commenced an investigation to determine whether the NOI Security Agency submitted false claims regarding outstanding tax debts due to the Internal Revenue Service.

In addition, HUD has referred to the Office of Inspector General allegations regarding a possible conflict of interest between the Executive Director of the Chicago Housing Authority and the Nation of Islam and the New Life Security Firm with respect to the Housing Authority's security contract at the Rockwell Gardens Public Housing Project.

Please be assured that I will keep you informed as to the results of HUD's ongoing review. I also commit to you that, under no circumstances, will I tolerate violations of civil rights by any group.

Sincerely,


Henry G. Cisneros

*Investig focused on 5 NOI - Chicago, Balt... - looked @ how
done, interviewing*

o Baltimore cancelled → procurement issues violated