



El Paso, Texas
The International City

JOHN F. COOK
MAYOR

December 19, 2007

Justin Ormsby
Director
Office of Public Housing
U.S. Department of Housing and Urban Development
801 Cherry Street
Burnett Plaza, 26th Floor
Fort Worth, TX 76102

Re: Housing Authority City of El Paso

Dear Mr. Ormsby:

Thank you for your letter dated December 18th regarding your recent visit to El Paso and some of the issues we had asked you to address. You bring up four issues in your written report. I agree with you that many of these issues need further investigation so that the truth, not innuendo, will prevail.

I am pleased that you bring up the \$90,000 contract, which had been approved by the board in October of 2006 and had somehow been allowed to be overspent by \$210,000. The issue of the overspending was brought to the attention of the previous interim director in August and has still not been adequately addressed by staff. As you may or may not know, in early November I had contacted the Criminal Investigation Division of HUD's Inspector General's office regarding possible deficiencies with procurement procedures and the lack of reasonable and adequate property controls by the organization. Serious allegations were brought to my attention and it was my concern that some illegal activity might have taken place, be it out of ignorance, carelessness or malice.

I will be the first to admit that the commissioners have been involving themselves in the day-to-day operations of the organization and that may have resulted in some key staff members leaving HACEP. The question that begs a response is; why have the deficiencies the commissioners have been finding been allowed to exist for so long and why has it taken commissioners to detect them? My commissioners are volunteers and it is unreasonable for us to expect them to have to go to such detailed investigations to uncover problems that have been allowed to fester for years. The commissioners recently



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took official action to request an outside performance audit. It is my belief that such an audit will greatly benefit the organization and the community's confidence in HACEP.

In closing, I would point out that in the past 42 months HACEP has only had nine months with a permanent CEO. I would contend that the lack of stable leadership has been the root cause of many of the problems the Commissioners have been uncovering. Mr. Ormsby, as the Chief Elected Official for the City of El Paso it is my responsibility to appoint qualified competent board members and in rare cases to remove them. The law regarding removal of officers is not as simple as you state in your letter. The statute sets specific criterion, not just "which in my opinion their actions were not in the best interests of the organization". It is the responsibility of the Commissioners to hire a competent director, to evaluate his/her performance, and if necessary terminate the contract if those evaluations are unsatisfactory. It is my understanding that the CEO hiring process followed this time around was identical to how the previous CEO was hired. All board members knew the qualifications listed on the job announcement and all qualified candidates met the criteria. I have full faith and confidence that my commissioners can and will make the right decision regarding this very important position. All of my commissioners are good, honest and dedicated people who have the best interests of our clients in public housing at heart. In my conversation yesterday with the interim director, he stated that he and the staff of HACEP was ready, willing, and anxious to serve under the leadership of the permanent director the board chooses. Unlike you and me, he did sit in on the interviews and has stated to me that any of the finalists would be able to lead the organizations with the support of the staff.

Sincerely,

A handwritten signature in black ink that reads "John Cook".

John Cook
Mayor of El Paso

Cc: U. S. Representative Silvestre Reyes
Arturo Huerta, Interim Director
Victoria Marquez, Special Agent, U. S. Department of Housing and Urban
Development, Office of the Inspector General
HACEP Board of Commissioners
HACEP Legal Staff