



OFFICE OF INSPECTOR GENERAL
U.S. Department of Housing and Urban Development

April 7, 2020

The Honorable Richard E. Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal:

I am writing in connection with my office's review of related-party transactions in certain nursing facilities with mortgages insured by U.S. Department of Housing and Urban Development (HUD) under the Section 232 loan program. Through my staff's coordination with the Committee staff, we have scoped a review of these facilities to assess how related-party transactions have affected their solvency and performance. To do this, we are examining financial records and transactions, but we had also planned to visit the facilities to assess their physical conditions and conduct in-person interviews of their management teams.

As you know, the COVID-19 pandemic has resulted in strict limitations on access to nursing facilities to prevent the spread of disease and protect at-risk populations. My staff will continue conducting this review remotely as best we can, and we will continue to update the Committee our progress. Should you or your staff have any questions, please feel free to contact me or Kathleen Hatcher, Director of Congressional Affairs, at 202-402-8323 or khatcher@huoig.gov.

Sincerely,

A handwritten signature in cursive script that reads "Rae Oliver Davis".

Rae Oliver Davis
Inspector General