



U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

May 2, 2014

MEMORANDUM NO:
2014-PH-1803

Memorandum

TO: Jacqueline A. Molinaro-Thompson
Director, Office of Public Housing, Pittsburgh Field Office, 3APH

//signed//

FROM: David E. Kasperowicz
Regional Inspector General for Audit, Philadelphia Region, 3AGA

SUBJECT: Review of the Housing Authority of the City of Pittsburgh, PA's Compliance With
Federal Lobbying Disclosure Requirements and Restrictions

INTRODUCTION

We conducted a review of the Housing Authority of the City of Pittsburgh's compliance with Federal lobbying disclosure requirements and restrictions based on concerns noted during our ongoing internal audit of the U.S. Department of Housing and Urban Development's (HUD) oversight of public housing authorities' compliance with Federal lobbying disclosure requirements. Our review objective was to determine whether the Authority complied with Federal lobbying disclosure requirements and restrictions.

METHODOLOGY AND SCOPE

As part of our ongoing internal audit, we selected the Authority for review as part of a sample of five housing authorities.

To accomplish our review objective, we interviewed and held discussions with HUD program officials. In addition, we obtained and reviewed the following:

- Lobbying certifications and disclosures relevant to our review for the period January 2004 through December 2006.
- Invoices and payments for lobbying noted for one firm, Pugliese Associates, and its subcontractor, American Continental Group, LLC.

- The U.S. Senate Office of Public Records Lobbying Disclosure Act database.

Our review covered transactions and events that occurred during the period January 1, 2004, through December 31, 2006. This was a limited scope review. Therefore, it was not performed in accordance with generally accepted government auditing standards.

BACKGROUND

The U.S. Housing Act of 1937 initiated the Nation's public housing program. That same year, the City of Pittsburgh established the Housing Authority of the City of Pittsburgh under Pennsylvania laws to address housing issues affecting low-income persons. The Authority's main administrative office is located at 200 Ross Street, Pittsburgh, PA. The Authority is governed by a seven-member board of commissioners. The board is charged with the task of establishing goals, approving policy and budgets, and providing general direction to the Authority's staff. The Authority owns and operates 4,000 public housing units and provides oversight of an additional 900 mixed-finance units, serving about 20,000 people in Pittsburgh, PA. The Authority's current executive director is Caster D. Binion. The executive director of the Authority during the majority¹ of our review period was Keith Kinard. The Authority's fiscal year begins on January 1.

The Authority is a participant in HUD's Moving to Work Demonstration program. In 1996, Congress authorized the Moving to Work Demonstration program as a HUD demonstration program. This program allowed certain housing authorities to design and test ways to promote self-sufficiency among assisted households, achieve programmatic efficiency, reduce costs, and increase housing choice for low-income households. Congress exempted participating housing authorities from much of the Housing Act of 1937 and associated regulations as outlined in the Moving to Work agreements. Participating housing authorities have considerable flexibility in determining how to use Federal funds. In 1999, the Authority was specifically named and authorized by the 1999 appropriations. In January 2009, HUD entered into a new 10-year Moving to Work agreement with the Authority. The expiration date of the Authority's new agreement is December 2018.

The Lobbying Disclosure Act requires lobbyists to register with both Houses of Congress and provide quarterly disclosures on lobbying activities conducted for each client. The Act defines "lobbying activities" as lobbying contacts and efforts in support of such contacts, including preparation and planning activities; research and other background work that is intended, at the time it is performed, for use in contacts; and coordination with the lobbying activities of others. The Act also requires lobbyists and lobbying firms to provide an estimate of the total income received for each client, including payments received from other persons or parties for lobbying activities on behalf of the client. The U.S. Senate Office of Public Records receives, processes, and maintains information reported by lobbyists and makes the information available to the public in its Lobbying Disclosure Act database.

¹ January 2004 through June 2006

RESULTS OF REVIEW

Under the leadership of its former executive director the Authority failed to disclose lobbying activities and engaged in the prohibited practice of using Federal funds for lobbying. The Authority falsely certified on at least two occasions that it had no lobbying activities to disclose. In addition, the Authority falsely certified that it had not spent Federal funds on lobbying.

The Authority Failed To Disclose Lobbying as Required

The U.S. Senate Lobbying Disclosure Act database showed that American Continental Group, LLC, a government relations consulting firm, reported that it received \$80,000 from the Authority during the period September 10, 2004, through December 31, 2005. However, as shown in appendix C, the Authority's lobbying disclosure forms for that period did not reflect any information on lobbyists or lobbying activities. The disclosure forms were for the Authority's Low-Income Public Housing program which was under its Moving to Work program. Based on regulations at 24 CFR (Code of Federal Regulations) Part 87, lobbying activities were not prohibited; however, disclosure of lobbying activities was required for lobbying related to Federal programs, and the lobbying expenses had to be paid with non-Federal funds. Therefore, the Authority should have disclosed the lobbying activity performed by American Continental Group. When questioned as to why the Authority had not disclosed the lobbying activity performed by American Continental Group, Authority officials initially stated that they could not find any payments made to the firm based on a review of accounts payable records. However, they later researched additional records and determined that American Continental Group was a subcontractor of Pugliese Associates, a government affairs firm contracted by the Authority to provide government communications and liaison services.

The Authority Improperly Used Federal Funds for Lobbying

The Authority used Federal funds for lobbying and submitted to HUD false certifications regarding the funds that it used for lobbying. For fiscal years 2004 and 2005, the Authority certified that it had not and would not use Federal funds for lobbying during those periods. However, these certifications (presented in appendix C) were false. Authority officials stated during this review that the Authority paid Pugliese Associates with Federal funds. Pugliese Associates in turn paid American Continental Group for lobbying activities that it performed on the Authority's behalf; therefore, the Authority paid for lobbying expenses with Federal funds. The Authority was prohibited from using Federal funds for lobbying expenses. According to regulations at 24 CFR Part 87, Federal funds may not be used for lobbying in connection with any Federal contract, grant, loan, or cooperative agreement or the extension, continuation, renewal, amendment, or modification of the same. The regulations also require recipients of more than \$100,000 in Federal funds or more than \$150,000 in Federal loans to certify that Federal funds will not be used for lobbying related to Federal programs.

We reviewed the Authority's payment register for the period January 1, 2004, through December 31, 2006, and determined that the Authority did not make any direct payments to American Continental Group; however, it paid Pugliese Associates \$205,000 during that period. We focused our review on payments made to Pugliese Associates during the period when

American Continental Group reported lobbying. American Continental Group registered with the Senate Web site, effective September 10, 2004, and terminated its registration as of December 31, 2005. During that period, the Authority paid Pugliese Associates \$100,000 related to four invoices.

We reviewed the invoices from Pugliese Associates and determined that it billed for services performed by both itself and American Continental Group. Pugliese Associates submitted invoices for \$25,000 to the Authority quarterly. At the end of each quarter, it submitted an activity report to the Authority, which separately identified activities performed at the State and Federal level. The activity reports showed lobbying activities occurred including, among others, communication and coordination with members of Congress to extend the Moving to Work program. Sample excerpts from the activity reports are shown in appendix D. The activity reports did not separate the costs associated with each type of activity; therefore, we determined that potentially \$80,000 was related to Federal lobbying activities based on amounts reported on the Senate Web site by American Continental Group. We attempted to obtain documentation from the Authority to determine the source of funds it used to pay Pugliese Associates for the lobbying services that American Continental Group performed on its behalf. The Authority stated that bank statements were not available due to age, and that it paid Pugliese Associates with Federal Moving to Work program funds. Therefore, based on the relationship between Pugliese and American Continental Group, the Authority paid for lobbying activities performed by American Continental Group with Federal funds.

RECOMMENDATIONS

We recommend that the Director of HUD's Pittsburgh Office of Public Housing

- 1A. Require the Authority to provide documentation to show the actual amount it paid to American Continental Group for Federal lobbying activities and reimburse its program that amount from non-Federal funds; or repay its program \$80,000 from non-Federal funds, for funds it improperly spent on lobbying activities.
- 1B. Ensure that responsible Authority officials are formally trained in lobbying disclosure requirements and restrictions.
- 1C. Ensure that all future HUD monitoring of the Authority covers compliance with Federal lobbying disclosure requirements and restrictions.

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS

Recommendation number	Unsupported 1/
1A	\$80,000

- 1/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments



Executive Office
200 Ross Street, 9th Floor
Pittsburgh, PA 15219
412- 456-5022
www.hacp.org

March 27, 2014

Via E-mail
dkasperowicz@hud.oig.gov

David E. Kasperowicz
Office of Audit Region 3
The Wanamaker Building, Suite 10205
100 Penn Square East
Philadelphia, PA 19107-3380

Dear Mr. Kasperowicz:

The Housing Authority of the City of Pittsburgh (HACP) was selected by the US Department of Housing and Urban Development, Office of the Inspector General (OIG) to provide them with information to assist in their audit of the US Department of Housing and Urban Development (HUD). The audit was for the period of October 1, 2007 through September 30, 2012. The information requested consisted of: payment registers; contract registers; listing of all law firms, consultants and non-profit organizations and subcontractors; listing of all legal expenses; list of liability insurance premiums; list of all legal settlements; employee settlement payments; "Disclosure of Lobbying Activities" forms; "Certification of Payments to Influence Federal Transactions" forms; and Independent Public Accountant reports and engagement letters. The HACP provided the OIG with all requested information and cooperated fully with this and subsequent voluminous information requests.

At some juncture, the focus of the audit moved from a review of HUD to an audit of the HACP. The OIG inquired if the HACP had ever paid the American Continental Group. Research of the HACP automated accounting records and accounts payable system indicated that the HACP has never paid American Continental Group any funds. At this point, the OIG provided HACP information that the American Continental Group had filed lobbying disclosures with the United States Senate stating that they were to be paid up to \$80,000 by the HACP. Upon receipt of this information, HACP researched archives of records and located a contract with Pugliese Associates dated September 3, 2003. That contract contained information revealing the American Continental Group to be a subcontractor to the contract. It must be noted; this contract is over a decade old, is four years prior to the audit scope noted above, was entered into during the administration of the predecessor twice removed of the current Executive Director and pre-dated the tenure of the current Chief Financial Officer.

Comment 1

Comment 2

Comment 3

The OIG is asserting, based on the US Senate filing by American Continental Group and a review of quarterly reports filed with the HACP that the subcontractor lobbied on behalf of the HACP. They further assert, based solely upon the filing with the US Senate that the amount paid to American Continental Group for lobbying activities was \$80,000.

Comment 4

The HACP's position is that Pugliese Associates was hired to provide the Authority with up to date information regarding initiatives and regulatory matters at both the state and federal level. They were to further assist in analyzing such regulatory data and issue position papers to help the Authority stay abreast of the current regulatory environment, thus allowing the Authority to operate at an optimal strategic level, making the most of its Moving To Work flexibility.

**Comments 3
and 5
Comment 6**

The contract with Pugliese Associates has "Certification Regarding Lobbying" forms fully executed by representatives of both Pugliese Associates and American Continental Group. This "Certification Regarding Lobbying" document, among other items, requires the signatories to complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", should they engage in any lobbying activities. To the best of our knowledge, representatives of neither Pugliese Associates nor American Continental Group have completed any such forms, nor has the OIG produced any such forms executed by the vendors. The HACP's position is that Pugliese Associates and its subcontractor American Continental Group were not hired to perform lobbying activities as is documented in the contract. If they did perform lobbying activities, they did so without the consent of the HACP and in violation of documentation within the contract. Further, if lobbying activity did occur without the HACP's acknowledgement and consent, there is no evidence to support that \$80,000 was the amount associated with the purported lobbying activities. To utilize the \$80,000 in aggregate reported on the US Senate forms, which was only a good faith estimate rounded to the nearest \$20,000, makes the assumption that 100% of the work performed by the American Continental Group was lobbying which is inconsistent with the wealth of regulatory information and corresponding analysis received under the contract, particularly at the Federal level.

The OIG report provides for three recommendations for the Director of HUD's Pittsburgh Office of Public Housing:

1. Require the Authority to repay its program from non-Federal funds \$80,000, which it improperly spent for lobbying activities.
2. Ensure that responsible Authority officials are formally trained in lobbying disclosure requirements and restrictions.
3. Ensure that all future HUD monitoring of the Authority covers compliance with Federal lobbying disclosure requirements and restrictions.

The Authority's response to each in the order presented is as follows:

**Comments 3
and 5**

The Authority's position as stated above is that we did not engage in a contract to conduct lobbying activities. If lobbying activities occurred it was without the consent of Authority

Comment 6

management. Regardless, the \$80,000 in questioned costs is an arbitrary figure and not supported by any factual documentation that would have established the real cost paid for such activities. The figure was obtained from a US Senate lobbying disclosure, filed by the subcontractor without the knowledge of or consent of HACP and, as stated on the form is only an estimate rounded to the nearest \$20,000.

Comment 7

The HACP will agree to meet with the Director of HUD's Pittsburgh Office of Public Housing to review the progress reports provided by Pugliese Associates during the period contained within the American Continental Group's US Senate disclosure. Any required repayment amount will be determined by applying the percentage of activity deemed to be lobbying against the amount paid to Pugliese Associates during that same period. At that time, the HACP will repay said amount to its program from non-Federal funds and will evaluate its options relative to recourse from the contractor.


Comment 7

The current Authority officials responsible for ensuring compliance with lobbying disclosure requirements and restrictions are not the same individuals who were employed by the HACP at the time of the incident. The Executive Director and Chief Financial Officer came to this agency at the end of 2006 and beginning of 2007 respectively and are both very knowledgeable of the referenced requirements. However, if HUD has any formal training in the area of lobbying disclosure requirements and restrictions, key personnel of the Authority would attend such a training to reinforce the knowledge they already possess in these areas.

Comment 7

Finally, the recommendation that all future HUD monitoring of the Authority covers compliance with Federal lobbying disclosure requirements and restrictions is an activity for the local field office to determine. The HACP always seeks to comply with not only the legal requirements but also the rules and regulations in the domain of which we operate. We would welcome HUD's ongoing review of our compliance and any other areas of administrative oversight as they deem appropriate.

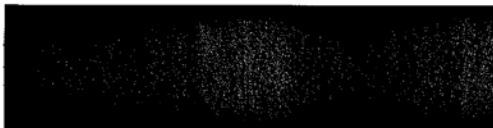
Sincerely,



Caster D. Binion
Executive Director

CDB/as

Cc:



OIG Evaluation of Auditee Comments

- Comment 1** The Authority stated that the focus of the audit moved from a review of HUD to an audit of the Authority. We did not change the focus of the audit. As stated in the introduction, and explained to Authority officials during the exit conference, the internal audit of HUD is ongoing. However, during the internal audit, we identified violations specifically related to the Authority. Therefore, we deemed it necessary to issue a report to the Authority to provide it an opportunity to formally respond to the findings.
- Comment 2** The Authority stated that its contract with Pugliese Associates occurred prior to October 1, 2007, which was the beginning date for the audit period related to our internal audit of HUD. We routinely expand the scope of our audits as necessary to address the audit objectives. Although we initially requested documents for the period 2007 through 2012, we expanded the scope for the internal audit to include the period 2002 through 2012. Therefore, the Authority's September 2003 contract with Pugliese Associates and the related transactions were within the expanded audit scope. Although the Authority executed a contract with Pugliese Associates under the leadership of a former executive director, the Authority failed to comply with Federal lobbying disclosure requirements and restrictions.
- Comment 3** The Authority stated that it hired Pugliese Associates to provide it with updates on initiatives and regulatory matters at the State and Federal level, and to assist in analyzing such data. The introduction section of the Authority's contract with Pugliese Associates stated that the Authority required government communications and liaison services. In our opinion, these are services that could include lobbying activities as defined in the Lobbying Disclosure Act.
- The Act defines lobbying activities as lobbying contacts and efforts in support of such contacts, including preparation and planning activities; research and other background work that is intended, at the time it is performed, for use in contacts; and coordination with the lobbying activities of others. Under the Act, any oral, written, or electronic communication with covered officials regarding the formulation, modification, or adoption of policy or legislation constitutes a lobbying contact. Communications relating to the administration or execution of a Federal program or policy are also included. Covered officials include, among others, members of Congress and executive officials such as agency heads and deputies, and assistant and deputy assistant secretaries.
- Comment 4** The Authority stated that its contract with Pugliese Associates required it and its subcontractor, American Continental Group, to submit disclosure forms if they engaged in lobbying activities. The Authority further stated that neither the contractor nor the subcontractor completed any such forms to the best of its knowledge. It is not clear where or to whom Pugliese Associates and American Continental Group were to submit the disclosure forms referenced by the Authority. We do not know why they did not complete and submit the disclosure

forms. We do know that American Continental Group complied with the Lobbying Disclosure Act and reported to the U.S. Senate, income it received related to lobbying activities that it performed on the Authority's behalf.

Comment 5 The Authority stated that it did not hire Pugliese Associates and American Continental Group to perform lobbying activities. However as detailed in the report, American Continental Group reported that it received income related to lobbying activities that it performed on behalf of the Authority. The Authority received activity reports from Pugliese Associates that described the services American Continental Group provided on its behalf. The activity reports reflected lobbying activities including contacts with covered officials regarding among other things, the extension of the Authority's Moving to Work program. Therefore, the Authority was aware, or should have been aware, of the lobbying activities that were performed on its behalf.

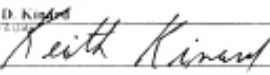
Comment 6 The Authority stated that there was no evidence that \$80,000 was the amount associated with the lobbying activities that American Continental Group performed on its behalf. The Authority also stated that the amount reported in the U.S. Senate database reflected rounding to the nearest \$20,000. As stated in comment 4 above, American Continental Group complied with the Lobbying Disclosure Act and reported income it received related to lobbying activities that it performed on the Authority's behalf. This, coupled with information showing that American Continental Group was a subcontractor to Pugliese Associates, and the invoices and activity reports from Pugliese Associates to the Authority constitute evidence that the Authority's payments to Pugliese Associates paid for lobbying activities. We acknowledge that the \$80,000 reported in the U.S. Senate database reflects rounding to the nearest \$20,000. However, the \$80,000 represents the total from two instances in which American Continental Group reported it received \$40,000 for lobbying activities that it performed on the Authority's behalf; therefore, the actual amount could be between \$60,000 to \$80,000 or more if American Continental Group rounded down the amounts it received.

During the exit conference, we informed the Authority that we would consider any documents or evidence it could provide to challenge the amount American Continental Group reported, and revise our conclusions as appropriate. The Authority did not provide us any additional documents. Nevertheless, we reclassified the \$80,000 from ineligible costs to unsupported costs to provide the Authority an opportunity to work with HUD to determine and repay the actual amount related to Federal lobbying activities.

Comment 7 The Authority indicated that it is willing to take certain corrective actions in response to our audit report. However, OIG recommendations are addressed to HUD program officials. Therefore, HUD program officials are ultimately responsible for ensuring that corrective actions satisfy the intent of the audit recommendations.

Appendix C

EXAMPLES OF SIGNED CERTIFICATIONS AND DISCLOSURES

Certification of Payments to Influence Federal Transactions	U.S. Department of Housing and Urban Development Office of Public and Indian Housing
<hr/>	
Applicant Name	
<hr/>	
Housing Authority of the City of Pittsburgh	
<hr/>	
Program/Activity Receiving Federal Grant Funding	
<hr/>	
Operating Subsidy	
<hr/>	
The undersigned certifies, to the best of his or her knowledge and belief, that:	
<p>(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.</p> <p>(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.</p>	<p>(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.</p> <p>This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>
<hr/>	
I hereby certify that all the information stated herein, as well as any information provided in the accompanying herewith, is true and accurate.	
Warranty: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)	
Name of Authorized Official	Title
Keith D. Kinard	Executive Director
Signature (in ink)	Date (mm/dd/yy)
X 	September 18, 2003
Previous edition is obsolete	
form HUD-50071 (3/98) ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3	

Note: This certification included the Authority's fiscal year beginning January 1, 2004 and ending December 31, 2004.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____ if known: _____ Congressional District, if known: 14th of PA			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: N/A Congressional District, if known: _____		
6. Federal Department/Agency: U.S. Department of Housing and Urban Development			7. Federal Program Name/Description: Low-Income Public Housing CFDA Number, if applicable: 14-850(a)		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): N/A			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):		
11. Information requested through this form is authorized by the 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the law above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress twice annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: <u>Keith Kinard</u> Print Name: <u>Keith D. Kinard</u> Title: <u>Executive Director</u> Telephone No.: <u>412-456-5012</u> Date: <u>9/18/03</u>		
Federal Use Only:			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		

Note: This disclosure included the Authority's fiscal year beginning January 1, 2004 and ending December 31, 2004.

**Certification of Payments
to Influence Federal Transactions**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Housing Authority of the City of Pittsburgh

Program/Activity Receiving Federal Grant Funding:

Operating Subsidy

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, Disclosure From to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompanying herewith, is true and accurate.
WARNING: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Name of Authorized Official

Keith D. Kinard

Signature (Date)

Keith D. Kinard 10/5/04

Title

Executive Director

Date (mm/dd/yyyy)

October 1, 2004

Previous edition is obsolete


Form HUD-90671 (3/98)
rel. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

Note: This certification included the Authority's fiscal year beginning January 1, 2005 and ending December 31, 2005.

Disclosure of Lobbying Activities

Approved by OMB 0346-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse side for instructions and Public Reporting burden statement)

1. Type of Federal Action <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only year (yyyy) _____ quarter _____ date of last report (mm/dd/yyyy) _____	
4. Name and Address of Reporting Entity <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Housing Authority of the City of Pittsburgh 200 Ross Street Pittsburgh, PA. 15219 Congressional District, if known: 14TH OF PA			5. If Reporting Entity in No. 4 is Subawardee, enter Name and Address of Prime N/A Congressional District, if known:		
6. Federal Department/Agency U.S. Department of Housing and Urban Development			7. Federal Program Name/Description Low-income Public Housing CFDA Number, if applicable: 14-850(a)		
8. Federal Action Number, if known			9. Award Amount, if known \$		
10a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI) N/A			b. Individuals Performing Services (including address if different from No. 10a.) (last name, first name, MI)		
(attach continuation sheet(s) if necessary)					
11. Amount of Payment (check all that apply) \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned			13. Type of Payment (check all that apply) <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other (specify) _____		
12. Form of Payment (check all that apply) <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____					
14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11					
(attach continuation sheet(s) if necessary)					
15. Continuation sheets attached <input type="checkbox"/> Yes <input type="checkbox"/> No					
16. Information requested through this form is authorized by Sec. 319, Pub. L. 101-121, 103 Stat. 750, as amended by sec. 10; Pub. L. 104-65, Stat. 700 (31 U.S.C. 1352). This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature  Print Name Keith D. Kinard Title Executive Director Telephone No. 412-456-5012 Date (mm/dd/yyyy) 10/01/2004		
Federal Use Only:			Authorized for Local Reproduction Standard Form-LLL (7/87)		

Note: This disclosure included the Authority's fiscal year beginning January 1, 2005 and ending December 31, 2005.

Appendix D

SAMPLE EXCERPTS FROM THE ACTIVITY REPORTS

□ Harrisburg Office
500 North Third Street
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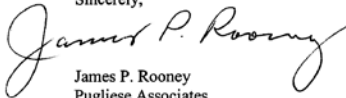
December 1st, 2004

Mr. David Weber
Housing Authority of the City of Pittsburgh
200 Ross Street, 9th Floor
Pittsburgh, Pennsylvania 15219

Dear David:

Attached is the Quarterly Report of Activities conducted by Pugliese Associates and the American Continental Group on behalf of the Housing Authority of the City of Pittsburgh. The report covers activities in Harrisburg and Washington, D.C. from September 1st, 2004 through November 30th, 2004.

Sincerely,


James P. Rooney
Pugliese Associates

www.puglieseassociates.com

in the next legislative session but it is unlikely that any action will be taken until after the next budget is passed in June of 2005.

In late October, Pugliese Associates received a communication from Rep. John Taylor, Republican Chairman of the House Urban Affairs Committee, requesting information to give him "a better understanding of Housing Authorities throughout the state". The request also included possible legislative topics that Housing Authorities may wish to pursue.

In mid-November, Pugliese Associates began to schedule meetings with members of the General Assembly from Pittsburgh to solicit input from them about Housing Authority issues. These interviews will be conducted while the members are in their home districts before they return for the 2005 legislative session in January 2005.

Federal Activities

The American Continental Group worked to create a coalition with United States Senators from states with Moving To Work programs. There are 36 Senators in the coalition. ACG drafted and circulated a sign-on letter to Secretary Alphonso Jackson requesting an extension for the Moving To Work programs or an explanation of what impediments may exist to prevent the extension.

ACG met with Senator Santorum to ask him to request a hearing in the next Congress by the Housing and Transportation Sub-committee on the Moving To Work program, and began to work on possible language in the Fiscal Year 2006 VA/HUD bill extending the Moving To Work Programs.

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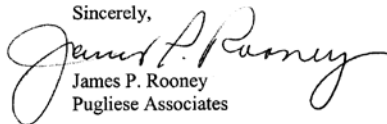
March 1, 2005

Mr. David Weber
Housing Authority of the City of Pittsburgh
200 Ross Street, 9th Floor
Pittsburgh, Pennsylvania 15219

Dear David:

Attached is the Quarterly Report of Activities conducted by Pugliese Associates and the American Continental Group on behalf of the Housing Authority of the City of Pittsburgh. The report covers activities in Harrisburg and Washington, D.C. from December 1st, 2004 through February 28th, 2005.

Sincerely,


James P. Rooney
Pugliese Associates

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At her request, Pugliese Associates met with Diane Warriner, Executive Director of House Urban Affairs Committee to follow-up on the request for information made by Rep. John Taylor, Chairman of the House Urban Affairs Committee. Rep. Taylor is seeking input from public housing professionals on what changes are needed in the state housing authority law to improve the efficiency and effectiveness of housing authority operations. Ms. Warriner suggested an informal meeting in Harrisburg with Rep. Taylor and HACP Director Kinard so that ideas can be exchanged.

Other Activities

Keith Kinard and David Weber met with Allen Kukovich, Director of the Governor's Southwestern Regional Office to inform him of HACP's agenda on state related issues. The discussion included the proposed "enhanced services" model and HACP's strategy of redevelopment of distressed properties. Mr. Kukovich was briefed on the Authority's discussions with Gov. Rendell, Staff Director John Este, and Larry Segal, Director of the Governor's Office of Housing and Community Revitalization regarding the need to improve neighborhood infrastructure in distressed neighborhoods. Director Kinard also emphasized to Mr. Kukovich that while past projects have included significant infrastructure dollars from the City of Pittsburgh and related Authorities such as the water and sewer authorities, the current financial condition of the city precludes such infrastructure support in the future.

Pugliese Associates met in Harrisburg with Larry Segal to follow up on the Kukovich meeting. Mr. Segal had met with Mr. Kukovich after the HACP meeting and is well aware of HACP's goals. He again requested a copy of the plans sent to Mr. Este and the Governor in order to be prepared to be an advocate for the Authority on these issues and how they may be addressed by the Redevelopment Capital Assistance program.

Federal Activities

The American Continental Group worked with Senator Arlen Specter and his staff on communicating with United States Department of Housing and Urban Development Secretary Alphonso Jackson on the Moving To Work program. In December, twelve senators signed on to the letter which elicited a response from Secretary Jackson in February granting a one year extension to programs which are slated to end on December 31, 2005. Secretary Jackson also stated that HUD is currently examining potential legislation to see if creating a successor to the Moving To Work program would be useful. The Secretary also stated that the goals of such legislation would be to create opportunities for a much larger number of public housing authorities to take advantage of certain Moving To Work flexibilities in a way that HUD could better measure the outcomes.

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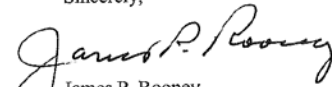
June 1, 2005

Mr. David Weber
Housing Authority of the City of Pittsburgh
200 Ross Street, 9th Floor
Pittsburgh, Pennsylvania 15219

Dear David:

Attached is the Quarterly Report of Activities conducted by Pugliese Associates and the American Continental Group on behalf of the Housing Authority of the City of Pittsburgh. The report covers activities in Harrisburg and Washington, D.C. from March 1st, 2005 through May 31st, 2005.

Sincerely,


James P. Rooney
Pugliese Associates

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Federal Activities

Tracked Legislation

Senate Bill 771 and its House of Representatives counterpart, HR 1999, the State and Local Housing Flexibility Act of 2005 which would, among other things, make permanent the Moving to Work Program.

HR 1999 was referred to the House Committee on Financial Services and a hearing was held on May 11th.

Senate Bill 771 was referred to the Senate Banking and Urban Affairs Committee with no action taken as of the date of this report.

Other Activities

The American Continental Group arranged for meetings between HACP Director Keith Kinard and Senators Specter and Santorum, and House of Representative Members Hart, and Murphy. Mr. Kinard also met with Congressman Doyle's staff. The purpose of the meetings was to discuss the potential impact of the Moving to Work legislation and other issues of interest to the Housing Authority.

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August 31, 2005

Mr. David Weber
Housing Authority of the City of Pittsburgh
200 Ross Street, 9th Floor
Pittsburgh, Pennsylvania 15219

Dear David:

Attached is the Quarterly Report of Activities conducted by Pugliese Associates and the American Continental Group on behalf of the Housing Authority of the City of Pittsburgh. The report covers activities in Harrisburg and Washington D.C. from June 1st, 2005 through August 31st, 2005.

Sincerely,


James P. Rooney
Pugliese Associates

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Pugliese Associates spoke with Revenue Secretary Greg Fajt and members of his staff and with Lee Derr, Counsel to State Senator Dominic Pileggi and Executive Director of the Senate Urban Affairs and Housing Committee on this issue. The outcome of these meetings was a consensus to determine interest and levels of support for legislation that could be introduced in the Pennsylvania General Assembly when it reconvenes for the fall session at the end of September.

Pugliese Associates made a request to the Allegheny County Delegation of the General Assembly for a letter of support for the Pittsburgh Housing Authority's Phase II of the Bedford Additions Hope VI Revitalization Plan. That request was made through the offices of Representative Frank Dermody and Senator Jay Costa.

Federal Activities

The American Continental Group continued its work with the offices of Senators Specter and Santorum to coordinate a multi-senate office meeting to discuss the permanent extension/adoption of the Moving To Work program. Discussions included the current legislation and a possible appropriations strategy for Moving To Work.

ACG also met with senate staff and Steve Nesmith, HUD's Assistant Secretary for Congressional and Intergovernmental Relations, to discuss HUD's capital plan and and Section 8 program.