

# Opportunity for Informal Consultation

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 27, 1992

Mr. Thomas S. Gulotta  
County Executive  
County of Nassau  
Nassau County Executive Building  
Mineola, New York 11501

Dear Mr. Gulotta:

**Subject: Notice of Opportunity for Informal Consultation  
Proposed Reduction of Grant Number B-92-UC-36-0101**

The purpose of this letter is to notify you that the Secretary of the Department of Housing and Urban Development (HUD) proposes to reduce the County's 1992 grant for past noncompliance under the Community Development Block Grant (CDBG) program in the amount of \$201,827 due to costs disallowed under Recommendation 1B of Audit Report Number 88-NY-241-1006 which was issued on December 18, 1987. The authority for this action is Section 104(e) of the Housing and Community Development Act of 1974, as amended.

The subject audit disallowance resulted from an original determination of excessive costs in the amount of \$320,819 involved in 11 facade improvement contracts for various local small businesses in the Town of Hempstead, a member of the Nassau Urban County (Audit Recommendation 1B). After considering submissions made by the County, HUD allowed \$118,992 of these costs, reducing the disallowed amount to \$201,827. Over the past three years, all attempts (including several cost analyses) to resolve the remaining disallowed facade improvement costs have failed. These costs have been determined to be excessive and, therefore, in violation of Attachment A of OMB Circular A-87, compliance with which is required at 24 CFR 570.502(a). This disallowance is the only remaining unresolved item from the subject audit report.

If the County has not reimbursed its line-of-credit in the full amount with non-Federal funds within 30 days of receipt of this notice, HUD plans to reduce the County's next grant by the amount of \$201,827.

You are entitled to request an informal consultation with HUD staff in Washington, pursuant to 24 CFR 570.911(a). Prior to reducing the grant, HUD will provide you with an opportunity to show any reason why this reduction should not occur. TO exercise your opportunity for such a further review, you must notify HUD Headquarters within ten (10) days of your receipt of this letter of your request for a meeting and/or your intention to submit additional information. The request must be in writing and delivered to James R. Broughman, Director, Entitlement Communities Division, U.S. Department of HUD, Room 7282, 451 7th Street, SW, Washington, DC 20410. His telephone number is (202) 708-1577. Any submissions of

additional information which you believe demonstrate why HUD should not reduce this grant must be sent to the above address, in duplicate, within 21 days of the date you receive this letter. Where necessary, your position should be supported with sworn affidavits from appropriate parties.

If you request a meeting, HUD will attempt to hold the meeting within 30 days of the date of your request. The meeting will be held in Washington, DC, unless HUD, in its sole and absolute discretion, makes a determination that another location is more appropriate. Although the meeting will be informal and no official transcript will be made, you may have an attorney present. You may also bring to this meeting those other persons who have knowledge of the facts. You will be notified of the room in which the meeting will be held. The sole purpose of the meeting will be to provide the County with an opportunity to demonstrate why the grant should not be reduced. This procedure will not be subject to discovery, and there will be no opportunity for examination by the County of HUD officials.

After a review of the entire record, HUD will make a determination and provide you with a written decision stating the reasons for its determination. The decision will be a final agency decision.

If you request such a meeting, or if you send written defenses to this reduction, the reduction will be suspended pending the results of the meeting and/or the review of your written submission. However, if after ten (10) days from receipt of this letter, the County has failed to request a meeting or notify HUD of its intent to submit written defenses, HUD will take action to effect the reduction as described above without further notice. In addition, if the submission of supplemental information is the sole option elected by the County and such written defenses are not submitted within 21 days of your receipt of this letter, HUD will then proceed with the reduction as described above.

Very sincerely yours,

(signed A. K)

Anna Kondratas  
Assistant Secretary