

AARON GLEICH

INTRODUCTION

In written testimony before Lantos subcommittee, and orally before Lantos subcommittee and Banking Committee, Thomas T. Demery, HUD, Assistant Secretary for Housing--Federal Housing Commissioner, states that he did not know who developers and consultants were when he acted on PHA requests for mod rehab units. However, a 11/3/87 document from Demery's wordprocessing diskettes made available under FOIA, which shows funding decisions of 11/3/87, presents a listing of 21 "Additional Requests" by PHAs for mod rehab units. The second page of the document matches the 21 requests with the names of individuals. No. 5 is a request for 244 units for New Haven, Connecticut. The name matched with the request is Gleich.

Aaron Gleich is a New York City developer about whom Demery would be questioned at length by Representative Bruce Morrison before the House Banking Committee on 5/11/89 about the representations he had made that he could get units from Tom Demery. Demery would deny any impropriety. Transcript at 186-90, 203, 258-65. Demery's records indicate that a deal Gleich was attempting to put together in New Haven fell through in the Spring of 1988. Thereafter, he attempted to put together another deal in the Los Angeles area. Although there is evidence that a large number of mod rehab units and project-based certificates were sent to Los Angeles, the record does not disclose whether Gleich received them. Gleich was interviewed by a HUD IG investigator on 4/10/88, just days before the IG Report was finalized. At that time Gleich said he had done no HUD business in eight years.

CHRONOLOGY

11/6/86 Demery meets with Gleich and Dennis Dugan of Coopers & Lybrand regarding the Olympic Project in LA. Pam Patenaude apparently is also present.

11/12/86 Gleich calls. Secretary notes: "I read him letter...he asked you to call and for me to mail it federal express to Dennis Dugan."

11/14/86 Mike Cracraft (213/977-1822) calls: "Aaron Gleich told him to call."

11/26/86 Eliot calls: re Gleich issue

12/4/86 Gleich calls from San Francisco (213/617-1133): "Said you will be receiving a ccall today from Mr. Tuite...PLEASE SPEAK WITH EITHER AARON GLEICH OR LANCE WILSON BEFORE YOU TALK W/TUISTE."

12/8/86 Gleich calls from Los Angeles (213/617-1133): "Talk to him before you talk w/Tuite who's probably going to call you."

12/8/86 John Tuite and Mike Cracraft of Redevelopment Agency, LA (213/977-1801) call wanting to talk about potential development in their area.

12/18/86 Gleich calls: "Won't be in town tomorrow...will be back soon."

12/24/86 Gleich calls: "To wish you happy holidays, a prosperous new year!"

1/27/87 Gleich calls to say hello and get Ron Middleton's phone number.

Early 87 According to affidavit of Mary Bostwick, an official of the Portland (MN) Housing Authority, Gleich approached her stating he had a pipeline through which he could get 250 mod rehab units. IGR at 96.

3/4/87 Gleich calls saying he will call early morning Friday.

3/17/87 Gleich calls about breakfast on Friday. Demery indicates "no" on phone log.

3/19/87 Gleich calls leaves message. Secretary does not write down message but notes: "(Tom, ask me about call.)"

3/27/87 Demery meets with Gleich.

4/8/87 Gleich calls: "Pls call--wants to point out a magazine article he thinks you'll be interested in." Call apparently returned by Demery.

4/21/87 Gleich calls: "Pls call." Call apparently returned by Demery."

5/18/87 Gleich calls inviting Demery to charity dinner. Demery not able to attend.

8/12/87 Demery meets with Gleich for one hour.

8/87 Gleich again visits the Portland Housing Authority, along with two other men, stating that he could get units directly from Demery, an old friend. Bostwick writes to Demery to report this matter. Demery later calls her to say he destroyed her letter. He follows with a letter stating that site-specific allocations are not permitted. IGR at 96.

9/10/87 Gleich calls: "Pls call--re: Englishman."

9/23/87 Demery meets with Gleich. The same day 9/23/87 Gleich contributes \$5,000 to F.O.O.D. for Africa.

11/3/87 Demery list matches Gleich with New Haven, CT request for 244 mod rehab units.

11/4/87 Gleich calls to invite Demery and wife to benefit and play (Phantom of the Opera) on 1/14/88. Secretary notes that Demery is to be in Dallas on that day.

12/11/87 Gleich calls leaving message: "does the church need any turkey or ham for Christmas."

4/11/88 Gleich calls to tell Demery of meeting he had in New Haven.

4/19/88 Gleich calls to say he will be at the (203) (Connecticut) number until 5:00 P.M.

5/2/88 Gleich calls Demery.

5/4/88 Gleich calls asking for copy of new housing law.

5/13/88 Gleich calls Demery.

5/19/88 Gleich calls to give Demery two San Francisco restaurant recommendations.

5/20/88 Gleich calls. Says he will call over the weekend.

5/23/88 Orest Dubno, Executive Director of the Connecticut Housing Finance Agency calls. Notation indicates Demery will call back on 5/26/88.

5/27/88 Gleich calls. Will call next week.

5/88 According to Joseph Gelleteich, Director of the Los Angeles County Housing Authority, Bruce Rothenberg, who was believed to be working for Gleich, approaches Gelleteich saying they have some sort of allocation that they had not been able to make work in New Haven. Gleich also called to say he had an allocation. Gelleteich indicated his belief that Rothenberg and Gleich were attempting to become involved in the "Project Based Assistance program." IGR at 415. In 1988, Section 8 existing housing certificates were authorized for project based use, which made them the equivalent of mod rehab units.

5/88 Pursuant to calls from Washington, Los Angeles County is placed on prioritized list of PHA's, notwithstanding local HUD view that the PHA should not be so placed because of poor administrative performance. IGR at 406-14.

6/7/88 Gleich calls: "Nothing important--just wanted to say hi...call when you return."

6/10/88 Gleich calls.

6/16/88 Gleich calls.

6/88 In mod rehab selection process, rating committee gives LA 47 points, but pursuant to Demery decision to allow additional financing information to be considered, is raised to 48, then picked by Demery and split-funded for 200 units. Unable to determine from LA County Housing Authority where these units went.

7/7/88 Gleich calls.

7/15/88 Gleich calls.

7/19/88 Gleich calls: "pls call - has a quick question."

8/29/88 According to Document on Demery's wordprocessing diskettes (Diskette 5, Index Page 3, Item 11, Demery instruct Lawrence Goldberger to send 125 Section 8 certificates to Los Angeles.

FY 1989 Demery sends 200 Section 8 certificates to City of Los Angeles.

4/10/89 Gleich is interviewed by HUD IG investigator. He states that he has never been involved with the mod rehab porgram and that his last involvement with a HUD-related housing program was over eight years ago. According to investigator, "Gleich stated that he had heard of rumors about the ongoing HUD IG inquiry, but that he knew of no information that would be pertinent to that inquiry." IGR at 416.