



U.S. Department of Housing and Urban Development

Office of Inspector General

451 7th St., S.W.

Washington, D.C. 20410-4500

January 12, 2004

The Honorable Henry A. Waxman
Ranking Minority Member
Committee on Government Reform
U.S. House of Representatives
Washington, DC 20515

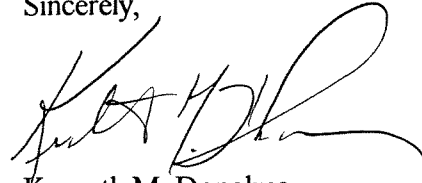
Dear Representative Waxman:

Thank you for your January 7, 2003 letter regarding allegations made by your constituent, R. Scott Reed. Mr. Reed alleged that, during a meeting at the Los Angeles Office, U.S. Department of Housing and Urban Development (HUD), on or about October 20, 2003, Acting Secretary Alphonso Jackson made statements concerning union activities in the Los Angeles Office. You request that the Office of Inspector General (OIG) review Mr. Reed's allegations, citing the Acting Secretary Jackson's nomination to become the Secretary of HUD. In addition, you specifically question whether Acting Secretary Jackson's statements impact internal HUD policies governing interpersonal conduct within HUD's offices.

In light of Acting Secretary Jackson's nomination, OIG has referred your letter to the Federal Bureau of Investigation (FBI), which as you know is performing a background investigation as a routine part of the nomination process. Additionally, on December 29, 2003, the San Francisco Regional Director, Federal Labor Relations Authority (FLRA), issued a decision that Acting Secretary Jackson's statements "interfered with the statutory rights of employees to join or assist the Union and seek the Union's assistance, free from restraint or coercion." Further, the FLRA Regional Director concluded that because his statements did not represent "a pattern of protracted, egregious conduct," but rather amounted to an isolated incident, the matter should be resolved with the traditional remedy of the posting of a notice that HUD will not make further statements that interfere with employees' union rights. This matter remains pending before the FLRA, since the union has not agreed to this resolution and has until January 28, 2004, to appeal the decision. Given the FLRA Regional Director's findings and the fact that FLRA retains jurisdiction with respect to Acting Secretary Jackson's statements vis-à-vis the Federal Labor Management Relations Statute, OIG defers to the FLRA in that regard.

With respect to your specific question concerning Acting Secretary Jackson's statements potential impact on internal HUD policies governing interpersonal conduct, I have assigned OIG's Special Investigations Division (SID) to conduct an investigation into this matter. Please feel free to contact me at (202) 708-0430 if OIG can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Donohue', written in a cursive style.

Kenneth M. Donohue
Inspector General