

Published May 7, 2011
Published Saturday May 7, 2011

Nelson calls for OHA audit

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Sen. Ben Nelson

Sen. Ben Nelson said Friday he wants a complete audit of the Omaha Housing Authority's finances to answer questions about how the agency handled more than \$5 million of its federal funding.

"Taxpayers deserve to know that their funds are used as intended," the Nebraska Democrat said during a press conference at his Omaha office.

Nelson said he is urging federal officials to work with the Omaha agency to investigate and fix problems.

OHA's finances have been a problem in recent months. Earlier this year the agency had trouble paying its bills, leading the OHA board to pass a package of spending cuts and layoffs in March.

OHA also received a "F" in financial management on a recent report card from the U.S. Department of Housing and Urban Development.

OHA is required to repay \$1.1 million in federal Section 8 voucher funds that were improperly used for the agency's operations last year, Nelson and OHA board members said. In addition, over the years, OHA incorrectly used \$1.5 million from another fund and loaned \$2.5 million in public housing funds to its nonprofit development affiliate, Housing in Omaha.

In a letter last month to HUD Secretary Shaun Donovan, Nelson said he supports efforts by the current OHA board to untangle OHA's finances and correct past mistakes. He said thousands of Omahans depend on the subsidized housing provided through the agency.

"No one wants to lose the program," Nelson said Friday.

OHA board Chairman Fred Conley and board member Ben Gray, a member of the Omaha City Council, said they want a forensic audit of the agency's spending and a "top-to-bottom" evaluation of its management practices. The two board members, who attended Nelson's press conference, said they hope to begin those efforts soon.

To pay for the work, the cash-strapped agency has asked federal officials for permission to use federal money normally earmarked for capital improvements. In a letter sent Thursday to Nelson, federal authorities said they are working with OHA to do that.

"I'm encouraged that, with Sen. Nelson's involvement, we're going to get the cooperation that we need," Gray said.

Gray also said OHA is prepared to repay the \$1.1 million in Section 8 funds. Agency officials have lined up the money for the repayment, which the OHA board is set to approve this month.

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