



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE DEPUTY SECRETARY
WASHINGTON, DC 20410-0050

August 26, 2010

Mr. John F. Street
Chairman
Philadelphia Housing Authority
12 South 23rd Street
Philadelphia, PA 19103

Dear Chairman Street:

I am writing to inform you that pursuant to Section I.A. of the Moving To Work Agreement and Section 15 of the Consolidated Annual Contributions Contract, the Department of Housing and Urban Development's Office of Public and Indian Housing will be dispatching a team to the Philadelphia Housing Authority immediately to conduct an audit of PHA's financial and management operations.

We are very concerned about the appropriate use of taxpayer dollars and so will be paying close attention to the team's findings. Accordingly, I have asked the HUD team to report back to the Department within 60 days regarding their preliminary findings and, if recommended by the team, we are prepared to require a forensic audit of PHA's financial and management operations. I urge you not to make any new appointments or management changes to PHA's senior team at this point, given the importance of this audit and the sensitivity of the allegations currently facing PHA and its leadership.

Thank you for your cooperation in this matter. Please feel free to contact me or Assistant Secretary for Public and Indian Housing Sandra B. Henriquez if you have any further questions.

Sincerely,

A handwritten signature in blue ink that appears to read "Rob Sims". The signature is fluid and cursive, with "Rob" on the top line and "Sims" on the bottom line.

cc: Sandra B. Henriquez, Assistant Secretary, Office of Public and Indian Housing
Councilwoman Jannie Blackwell, PHA Commission Member
Debra L. Brady, PHA Commission Member
Patrick J. Eiding, PHA Commission Member
Nellie W. Reynolds, PHA Commission Member
Michael Nutter, Mayor, City of Philadelphia
Alan Butkovitz, Controller, City of Philadelphia