

# CFO Takes Over D.C. Housing Authority's Finances

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The District's independent chief financial officer is taking financial control of the city's embattled Housing Authority, a victory for the D.C. Council over the mayor in a long-running feud over control of awarding city contracts.

CFO Natwar Gandhi told the Housing Authority on Monday that he's taking control of its "financial operations and financial staff" starting July 1. The move comes at the behest of some council members who are upset that Mayor Adrian Fenty used the quasi-independent agency to award about \$100 million in city contracts without council approval.

The council has appointed a special investigator to examine how Fenty's fraternity brothers wound up receiving approval to manage about \$80 million in Department of Parks and Recreation projects.

The Fenty administration has said it has done nothing wrong, and the contracts were awarded through the Housing Authority not to sidestep council oversight but to speed up the construction of parks, ball fields and recreation centers.

Ward 5 Councilman Harry Thomas Jr. said he was pleased by Gandhi's decision, and said the move was a "refutation of some bad financial practices" that had occurred at DCHA.

"We need more oversight, and more review of what was going on there," Thomas said. "It's a good step on behalf of the city to ensure that those dollars are being spent the right way."

Neither the Fenty administration nor the DCHA responded to requests for comment by deadline Monday.

City contracts of more than \$1 million are required to be approved by the council. Several contracts awarded by DCHA did not receive council approval.

The Housing Authority inked a \$6 million deal with Banneker Ventures, which is owned by Fenty fraternity brother Omar Karim, to manage 18 projects. Another Fenty fraternity brother, Sinclair Skinner, owned the engineering company that was named as a subcontractor. Both Karim and Skinner have denied any wrongdoing.

Thomas and other council members have been particularly troubled by a \$2.5 million payment to Banneker last Christmas Eve, while the council was in recess.

Fenty, Karim, and Skinner are close friends, Howard University alumni and members of the Kappa Alpha Psi fraternity. The ease in which Karim and Skinner have appeared to win large city contracts has sparked accusations of cronyism in the Fenty administration.

Ward 3 Councilwoman Mary Cheh said it's clear that DCHA's contracting process was ruled by political considerations and a change is needed. But she questions whether Gandhi's office is adequately staffed to handle the takeover.