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Tanya Wilson

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Let the light shine in

Whistleblower complaint raises questions about how public subsidy is spent

By Jennifer Johnson
Supervising Editor

Rather than take any chances having a whistleblower case heard before a jury, city-appointed Housing Authority City of Orange (HACO) commissioners approved an agreement on Tuesday, April 21, that will award ex-executive director Tanya Wilson \$500,000 in damages for wrongful termination. Wilson asserts she was fired from HACO, where she was employed for decades, because she reported suspected financial impropriety to federal investigators and requested a forensic audit of the public agency upon taking over as head of HACO from predecessor Frank Anderson at the end of 2011.

Had Wilson's claim gone to court, on the docket for April 27, the public would have been privy to information showing hundreds of thousands of dollars funneled through the public housing authority to former executive director Frank Anderson and a bevy of his former girlfriends and acquaintances, who also doubled as housing authority tenants and employees — and board members. Documents and deposition testimony obtained by The Examiner shows a culture of big-dollar payouts to employees and tenants of the housing authority without supporting documentation to justify the lavish, unmonitored spending.

The expenditure of HACO funds piqued the interest of HUD officials and Office of the Inspector General (OIG) investigators tasked with overseeing the distribution of the public funding in 2011, but that was not a problem for current Orange City Councilwoman Mary McKenna, who was the HACO Board of Commissioners president when HUD intervened.

Bernsen Law Firm attorney Cade Bernsen represented Wilson in her quest for justice, and took testimony from McKenna under oath. When asked if she thought it was a problem that tens of thousands of dollars was



Wilson



Examiner file photos

forwarded to HACO employees and tenants romantically linked to executive director Anderson, McKenna answered with a resounding, "No."

In fact, McKenna's lack of concern on matters of alleged impropriety were further underscored by HUD Regional Director Justin Ornsby, who explained that under McKenna's watch, Anderson "was using an undisclosed bank account requiring only his signature, bypassed procurement regulations, was making cash withdrawals without records, and paying salaries in cash," while there was "non-existent monitoring by the board of staff actions, no credible financial reporting, (and) many other violations of rules and regulations."

Furthermore, Ornsby wrote in correspondence to Orange City Manager Shawn Oubre, "When confronted with these facts, the board members showed no surprise, concern, or any sense of disfavor."

"Based on their reaction at the meet-



McKenna

ing, I am not confident the existing board and senior leadership have the interest or will to make the changes necessary in staffing or policy."

McKenna said she and fellow commissioners didn't know whether any of Ornsby's accusations were true.

"I was willing to explore any issues Mr. Ornsby would bring to my attention," McKenna said. "But we did not have any written documentation of the specifics of what those items were so that we could address them."

What investigation did get done on the HACO level, McKenna asserted, was performed by lawyers under HACO charge, and she had no direct knowledge of their findings.

Ornsby issued a warning Oct. 6, 2011: "If nothing is done, the range of penalties could include putting the

Anderson Villa, named for the executive director, had its own special banking account. According to Anderson, each tenant put up \$1,000 in escrow for the homes — 21 total homes — at least half occupied by housing authority employees or favored contractors such as Jackson, Henry and Green (Gentry). Anderson said each home would be sold for \$35,000, but none have been sold to date.



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Public Housing
1301 Fannin, Suite 2200
Houston, Texas 77002
(713) 718-3199 • FAX (713) 718-3130
www.hud.gov

October 12, 2011

To: Board of Commissioners, Housing Authority of the City of Orange (HACO)

Subject: September 22, 2011 Meeting with Board Members Follow-up

Dear Board Members:

The Office of Public and Indian Housing of the U.S. Department of Housing and Urban Development ("PIH") is responsible for monitoring local Public Housing Agencies that receive financial support through the Federal Government. In this role PIH is required to establish minimum standards of performance for local Agencies to meet for continued participation. During the course of the year Housing Authorities are required to report their progress in certain criteria, and this score establishes whether or not they are adequately performing their responsibilities.

Recently, The Housing Authority of the City of Orange ("HACO or Housing Authority") failed to meet minimum standards and was therefore declared "troubled". As a result of this troubled status HACO is subject to additional review and oversight in an effort to bring it back into compliance and performing within established guidelines.

In May of this year HUD staff conducted an on-site visit to assess the reasons contributing to HACO's troubled status. HUD staff identified significant deficiencies with the financial operations and overall governance of the Housing Authority by both the Housing Authority Board and Executive Director ("ED"). Some of the issues were brought to your attention during the exit conference. HUD has since conducted a follow-up review and discovered further examples of serious and material irregularities in the financial operations of the Housing Authority.

A meeting was held at HACO on Sep 22, 2011. Participants included two Board Members, the ED and HUD staff. At that meeting it was evident that numerous expenditures of the Housing Authority and overall operations involving a single bank account raised serious questions as to the existing financial operations, internal controls and oversight. The ED's responses to questions about expenditures for services performed at the Housing Authority coupled with several instances of unilateral actions carried out by the ED point to inadequate governance. While HUD is mindful of the severe impact Hurricane Ike had on the operations of the Housing Authority, significant time has passed since the Hurricane. Practices have continued that negate the argument that payments were made and actions taken were the result of the Hurricane.

housing authority into receivership, debarring all those associated with these actions, shutting down the housing authority and moving the money to another housing authority, and others."

McKenna asserted that, due to HUD intervention, she was forced to terminate Anderson although she believed him to be doing a fine job for HACO, despite HUD concerns. McKenna had



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Affordable Used Cars, a car lot Anderson had set up on the property of HACO's Arthur Robinson apartment complex in the resident facility space, is alleged to have gone unnoticed by HACO board president Mary McKenna, although the business was set up just outside the board meeting room. Anderson alleged that he lent out his name and credit, but had no part in the business. A DBA filed at the Orange County Clerk's office has Anderson named as the "sole proprietor" of the business, but Anderson said his name was just a cover for convicted felons who actually ran the business with his permission.

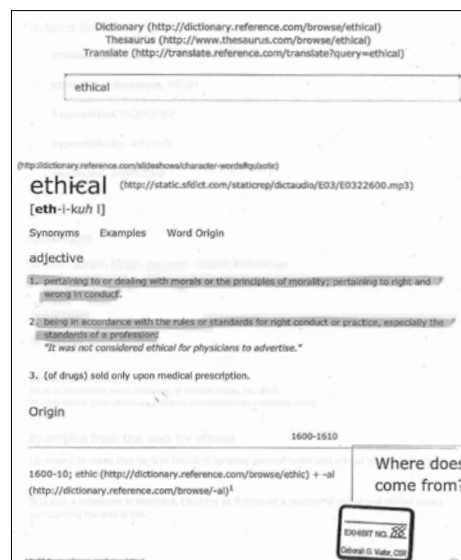
nothing but praise for Anderson, giving him a score of 7 on a 1 to 10 scale of performance measures. When terminating the executive director, McKenna did not note a cause for termination, and did not resist paying Anderson unemployment benefits, which he received for approximately eight months, he said. McKenna also paid three months severance – and Anderson was allowed to take \$25,000 in pension with him on the way out the door. All this was done, she said, without board consensus.

"I think Mr. Anderson had a vision for moving the housing authority forward and for helping the residents to better their own lives and that he was willing to work with the residents and the board and the staff to make that happen," she gushed. "We never ranked his ethical duties or asked him any ethical questions or – he was honest with us. He did his job. He was an executive director. He worked well with the board.

"I don't rank ethical performance. I don't know what that means."

Webster's definition of "ethical" was supplied to McKenna by Bernsen. According to McKenna, ethics was not required of HACO executive directors. "I didn't see it in the job description," she said, "but I may have missed it."

In addition, she surmised, while it may not have "been good business practices" for Anderson to have romantic affiliation with tenants and employees who were recipients of multi-thousand-dollar side contracts through HACO, it was a personal decision for the executive director to make, "not



professional."

The only criticism McKenna made under oath was of whistleblower Tanya Wilson. McKenna said Wilson should not have gone to HUD with her suspicions of rampant corruption at HACO, but instead kept the complaint in-house.

"I think (an executive director who believes that a board of commissioners is colluding to commit illegal acts) should talk to the board first and see if the board understands what they are doing and try to get the board to rectify that situation," McKenna said. "I think they should talk to the board first and try to see if the board would understand what the illegalities were and correct them themselves."

Among the contracts drawing suspicion was one between HACO and

See HOUSING on page 6 A



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HOUSING

from page 5 A

Anthony Jackson's Vision Manifestation. Jackson, a low-rent tenant residing at Anderson Villa single-family homes, received the contract in 2009 under Section 3 provisions meant to spur economic development of public housing tenants. According to McKenna, Anderson only needed board approval to enter into contracts of \$50,000 or more. HACO's contract with Anderson's long-time friend Anthony Jackson was set to run \$48,000.

However, in just two years, Jackson was paid more than \$800,000 on that contract. For what, McKenna couldn't – or wouldn't – say. And despite paying Vision Manifestation and Jackson almost \$1 million in just two years, Anderson said his friend Jackson still qualified for public assistance in paying his rent.

Anderson said that although the contract to secure Jackson's services was for just \$48,000 a year, the additional funds were granted to Jackson to pay cash to day laborers such as Anderson's ex-girlfriends – three of whom are named in invoices submitted by Jackson to OHA for reim-

bursement, including former finance employee Ida Green (Gentry) and current HACO commissioner Fredia Henry. According to documents at HACO, Green (Gentry) was paid roughly \$1,600 monthly for "training" and Henry was paid for services, including reimbursement for a trip to Las Vegas, with HACO monies that all passed through Jackson's Vision Manifestation.

Joyce McGee, a former HACO commissioner and public housing tenant, received funding through Jackson's Vision Manifestation while she served in an official capacity, as well. McKenna said she had no qualms with that fact.

"She was in the unique position of being the resident representative, and she benefited from Section 3 because she was in public housing," McKenna said. "It doesn't sound like a very good business practice ... but I don't know if all of the residents who would be – might be willing to serve in the same situation."

At least one other board member would serve in that situation. Current HACO commissioner Fredia Henry now serves as the resident commissioner, and she, too, received funding through HACO con-

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Provide names and contacts of agencies that can provide activities and opportunities for resident to fulfill their Community Service obligations.

Establish and provide referrals for volunteer work or self-sufficiency programs, with a listing of options to residents that is required to meet this requirement.

Network with other local agencies and non-profit organizations to establish positive relationships that will benefit residents desiring to fulfill their Community Services requirements at one of these entities locations.

V. DURATION OF CONTRACT

This agreement commences on 12/11/09, by signature of both Parties, and ends on 12/11/14.

VI. COMPENSATION:

Year 1	\$48,000.00
Year 2	\$48,000.00
Year 3	Negotiable Based on the Eligibility of Funds/Min. amount of \$35,000.
Year 4	" " " " " " " " " " " "
Year 5	" " " " " " " " " " " "

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** Negotiable beginning in year 3 because of loss of PHA units and a continued reduction in HUD subsidy, which has been a continuing trend.*

tractor Vision Manifestation and through private contracts signed by her former boyfriend, executive director Anderson. Henry, according to Anderson, was a "modernization" worker, paid through HACO funds to assist yet another contractor hired to oversee "modernization." Henry was also contracted, through Crunk'd Enterprises, to oversee contractor work and inspection of properties, he

said. She, too, continued to receive a housing subsidy although she was paid tens of thousands of dollars for her services to the housing authority that paid her rent.

While Henry still enjoys her post at HACO, Green (Gentry) was relieved of her duties – and her publicly funded home. Green (Gentry) has filed a lawsuit seeking \$250,000 in damages.

Jackson, likewise, filed a lawsuit against HACO deriving from his separation from the housing authority's bank accounts. Jackson was asking for a laptop computer, HACO checkbooks he claims were his, and \$10,000 for "stress, humiliation, embarrassment and character assassination."

Jackson, a convicted drug dealer long before he was on HACO payroll, recently did a stint in federal prison when FBI agents found ammunition in his public housing home – contraband for a convicted felon. He was sentenced to 10 months in prison and was released December 2014.

According to Anderson, the FBI was at Jackson's home in search of financial records related to his resident-owned business.

HUD Public Affairs Officer Patricia Campbell said she is of the understanding that key players in HACO's "troubled" past are no longer with the agency, and with new management, the housing authority has made great strides in improving its services to the community.

"The people who were involved with some of the activities deemed, justifiably so, not appropriate are no longer with the housing authority," Campbell said. "The authority has taken corrective measures ... financial controls have been put into place ... their scoring has certainly improved."

"They have new financial controls, new regulations. We have gone onsite to make sure they improve. That situation that was there in 2011 is not there anymore."

No criminal charges have been pressed against the actors Campbell refers to in her comments.

"That's not something HUD gets involved with; that's determined by another authority," she said. "HUD does not arrest people. We don't have the authority to arrest anybody. What I'm concerned about is the operations of the housing authority, to serve the people."

"HUD does not control who is on the board and who is employed by the housing authority... we do not operate the housing authority's day-to-day operation. We are concerned about whether they have the proper controls and procedures in place."

"The housing authority has taken corrective measures to show that those types of things won't happen again. We have been out there to look at that."



Fredia Henry, a resident of Anderson Villa and HACO board commissioner and contractor, said she has lived in public housing for years starting with Pine Grove in Orange. "Even though I don't agree with some of the things the housing authority does, I know that they are helpful to the people who need it," Henry asserted at a HACO meeting in 2013. "I went from Pine Grove working at McDonald's to living at Anderson Villa working for the middle school, and it's because of the assistance I got here. ... We all want to move up. For us that are trying to move up, give us the opportunity."

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We still meet with them, but as far as their personnel is concerned, we have no control.”

“If criminal action would be taken, it would not be taken by HUD. That’s not what HUD does. Our job is to monitor and, when we find deficiencies, to work with the housing authority to correct those deficiencies.

U.S. Attorney’s Office for the Eastern District of Texas Public Information Officer Davilyn Walston said her agency is in the business of taking criminal action against criminals – they just need a viable complaint.

“Anybody can call our office and say ‘Hey, did you know about this?’” Walston said. “As you know, we’ve gotten cases from stories y’all have done. If we know about it, we will investigate it.

“They can call our office and speak to a duty attorney ... (409) 839-2538.”

Whistleblower Wilson’s attorney Cade Bernsen said he and his client were happy with the outcome, although he would like to see a more thorough investigation into HACO finances. In the meantime, the information uncovered by this lawsuit should give investigators a starting point of where to look.

“Lawsuits and the media,” Bernsen said, “that’s how social change happens. You have to shine a light on what’s going on behind closed doors with our – taxpayers’ – money.”

Bernsen cited Supreme Court Justice Louis Brandeis’ famous quote: “Sunlight is said to be the best of disinfectants.” According to Bernsen, while Wilson may have been vindicated, taxpayers are still waiting on their just reward.

“The whole point of the whistleblower law is to protect the Tanya Wilsons of the world. She has been totally vindicated.

“Whistleblower law was created to protect people who expose corruption



According to the housing authority commissioners’ handbook, a commissioner may not be considered for any job with the agency for 12 months following their removal from the board. However, shortly after being removed from the board of commissioners due to a felony conviction for lying to the federal government to receive social security benefits not due to him, the Rev. Raymond Young was given an executive position at the housing authority. He still holds that position to date.

in government offices. She told the federal government about it, and then (HACO commissioners) fired her.” Had it not been for the whistleblower suit, what was done in the dark may have stayed there indefinitely.

“Especially in this day and age when people are losing faith in their government, and believe there is a lack of transparency in our government,” he said, there is a need for not only whistleblower law, but whistleblowers themselves to alert the public to public corruption. “Oftentimes, the only way to do that is with a lawsuit.

“So be it.”

Jennifer Johnson can be reached at (409) 832-1400, ext. 231, or by e-mail at jennifer@theexaminer.com.



Bernsen



Anthony Jackson

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