SECRETARY BENTSEN, and former National Drug Control Policy Director Brown announced “OPERATION SAFE HOME” in a joint press conference at the White House. Three major types of crime affecting HUD programs were targeted by Operation Safe Home:

- Equity skimming in multifamily insured projects;
- Violent crime in public and assisted housing;
- Fraud in the administration of public housing.

Implemented at HUD by the OIG, Operation Safe Home brings the coordinated resources and expertise of federal, State, and local law enforcement agencies to bear on crime in public and assisted housing. Operation Safe Home represents the OIG’s commitment to focus resources on combating areas of high vulnerability and to hold such focus until the vulnerabilities are reduced to an acceptable level—the primary mission of HUD’s OIG.

As part of Operation Safe Home, OIG has initiated an aggressive proactive effort to pursue civil litigation and criminal prosecution against owners of multifamily housing projects who misuse project operating funds—the equity skimming effort. A primary objective of the equity skimming effort is to create an enforcement program that provides an effective deterrent and recovery mechanism for the misuse of income and assets at projects having HUD insured mortgages.

OIG identifies and pursues, with the assistance of the U.S. Attorneys and HUD officials, the recovery of funds diverted from projects. Assistant U.S. Attorneys throughout the nation have played a significant role in the success realized by Operation Safe Home in cracking down on equity skimming in HUD’s housing programs. Funds recovered in this manner can be directed at improving living conditions for the tenants and minimizing financial losses to HUD.

**What Are the More Common Types of Equity Skimming?**

If the project is in a non-surplus cash position or is in default, the following actions would most likely constitute equity skimming:

- Distributions or withdrawal of cash;
- Repayment of advances made to the project by the owner/agent;
- Lending funds to owners, partners, affiliates or the management agent;
- Payments of principal and/or interest on any secondary financing unless approved by HUD;
- Splitting of management fees with the project owner;
- Using project funds to purchase equipment or services not for use by the project;
- Paying more for services and supplies than could be procured on the open market;
- Payment of construction or rehabilitation costs from operations that should have been paid from mortgage proceeds;
- Payments to consultants, attorneys, accountants for partnership activities, which are not reasonable and necessary operating expenses of the project; and
- Payments on personal or other business loans.

Project owners and management agents need to be aware of these common ineligible expenditures or misuses of funds, and need to avoid using project funds in these ways. Owners must remember that a project with a HUD insured mortgage is not like other rental properties they may own. Owners agree to certain restrictions regarding the use of project income and assets before becoming involved with HUD insured mortgages. Given the strong civil and criminal penalties which can be imposed for such violations, it is in the best interest of all project owners and agents to ensure adherence to the terms of their Regulatory Agreements.

**What To Do if You Suspect Fraud Involving HUD’s Multifamily Housing Programs?**

If you have information about the misuse of project funds as described above, contact any of the district offices of the Office of Inspector General in HUD listed below, or call the OIG Hotline toll free at 1-800-347-3735 or any local HUD program office.

**Office of Inspector General District Offices**

New England (CT, MA, ME, NH, RI, VT), District Inspector General for Audit, (617) 565-5259, Special Agent in Charge, (617) 565-5293, Thomas P. O’Neill, Jr., Federal Bldg., 10 Causeway Street, Boston, MA 02222-1092


Mid Atlantic (DE, MD, PA, VA, WV), District Inspector General for Audit, (215) 656-3401, Special Agent in Charge, (215) 656-3410, The Wanamaker Bldg., 100 Penn Square East, Philadelphia, PA 19107-3390

Southeast/Central (AL, FL, GA, KY, MS, NC, PR, SC, TN), District Inspector General for Audit, (404) 331-3369, Special Agent in Charge, (404) 331-5159, Richard B. Russell Federal Bldg., 75 Spring Street, S.W., Atlanta, GA 30303-3388

Midwest (IL, IN, MI, MN, OH, WI), District Inspector General for Audit, (312) 353-7832, Special Agent in Charge, (312) 353-4196, Ralph H. Metcalf Federal Bldg., 77 West Jackson Blvd., Chicago, IL 60604-3507

Southwest (AR, LA, NM, OK, TX), District Inspector General for Audit, (817) 978-9309, Special Agent in Charge, (817) 978-9310, P.O. Box 2905, 1600 Trockmorton, Fort Worth, TX 76113-2905

Great Plains (IA, KS, MO, NE), District Inspector General for Audit, (913) 551-5871, Special Agent in Charge, (913) 551-5866, Gateway Tower II, 5th Floor, 400 State Avenue, Kansas City, KS 66101-2406

Rocky Mountains (CO, MT, ND, SD, UT, WY), District Inspector General for Audit, (303) 672-5452, Special Agent in Charge, (303) 672-5449, First Interstate Tower North, 633 Seventeenth Street, Denver, CO 80202-3607

Paciﬁc/Hawaii (AZ, CA, HI, NV), District Inspector General for Audit, (415) 436-8101, Special Agent in Charge, (415) 436-8108, 450 Golden Gate Avenue, P. O. Box 36003, San Francisco, CA 94102-3348

Northwest/Alaska (AK, ID, OR, WA), District Inspector General for Audit, (206) 220-5360, Special Agent in Charge, (206) 220-5380, Seattle Federal Office Bldg., 901 1st Avenue, Suite 200, Seattle, WA 98101-1000

Capital Office (DC), District Inspector General for Audit, (202) 708-2650, Special Agent in Charge, (202) 708-0387, 451 7th Street, S.W., Room 8256, Washington, DC 20410-4500

Dated: March 29, 1999

Susan Gaffney,
Inspector General.

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service


AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability

SUMMARY: Pursuant to the Refuge Improvement Act of 1997, the U.S. Fish and Wildlife Service has published the Fort Niobrara National Wildlife Refuge Draft Comprehensive Conservation Plan and Environmental Assessment and the Valentine National Wildlife Refuge Draft Comprehensive Conservation Plan and Environmental Assessment. These Plans describes how the FWS intends to manage the Fort Niobrara and Valentine NWRs for the next 10-15 years.
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
San Carlos Irrigation Project—Power Division, Arizona Power Rate Adjustment

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Proposed Rate Adjustment.

SUMMARY: The Bureau of Indian Affairs (BIA) proposes to adjust the electric power rates for operating and maintaining the Power Division of San Carlos Irrigation Project (SCIP/PD).

DATES: Comments must be submitted on or before June 3, 1999.

ADDRESSES: Written comments on rate adjustments should be sent to: Assistant Secretary—Indian Affairs, Attn: Branch of Irrigation and Power, MS-4513-MIB, Code 210, 1849 C Street, NW, Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Wayne Nordwall, Area Director, Bureau of Indian Affairs, Phoenix Area Office, P.O. Box 10, Phoenix, AZ 85001; Telephone 602–379–6956.


The Secretary has delegated this authority to the Assistant Secretary—Indian Affairs pursuant to part 209 Departmental Manual, Chapter 8.1A and Memorandum dated January 25, 1994, from Chief of Staff, Department of the Interior, to Assistant Secretaries, and Heads of Bureaus and Offices. The SCIP/PD has taken the steps necessary to reduce the contract demand in the power supply contract between the Bureau of Indian Affairs, on behalf of SCIP/PD, and the Arizona Public Service Company. This action has resulted in a savings in purchased power costs as of June 1, 1998. This savings is proposed to be passed on in an adjustment to the Schedule No. 2—General Rate schedule.

Executive Order 12988
The Department has certified to the Office of Management and Budget (OMB) that this proposed rate adjustment meets the applicable standards provided in sections 3(a) and 3(b)(2) of Executive Order 12988.

Executive Order 12866
This proposed rate adjustment is not a significant regulatory action and has been reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act
This proposed rate making is not a rule for the purposes of the Regulatory Flexibility Act because it is “a rule of particular applicability relating to rates.” 5 U.S.C. § 601(2).

Executive Order 12630
The Department has determined that this proposed rate adjustment does not have significant “taking” implications.

Executive Order 12612
The Department has determined that this proposed rate adjustment does not have significant Federalism effects because it pertains solely to Federal-tribal relations and will not interfere with the roles, rights, and responsibilities of states.

NEPA Compliance
The Department has determined that this proposed rate adjustment does not constitute a major Federal action significantly affecting the quality of the human environment and that no detailed statement is required under the National Environmental Policy Act of 1969.

Paperwork Reduction Act of 1995
This proposed rate adjustment does not contain collections of information requiring approval under the Paperwork Reduction Act of 1995.

Unfunded Mandates Act of 1995
This proposed rate adjustment imposes no unfunded mandates on any governmental or private entity and is in compliance with the provisions of the Unfunded Mandates Act of 1995.