



U.S. Department of Housing and Urban Development
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June 30, 2015

Mr. Martin Martinetti, Chairperson
915-Central Ave. Apt.3
Union City, New Jersey 07087

Dear Mr. Martinetti:

This is in response to your email dated April 06, 2015 and a meeting with you on June 15, 2015, requesting legal guidance on the legal fees and service contracts that the Union City has with attorney Julio C. Morejon, Esq.

Based on our review and the documentation submitted, we found that the fees as billed are excessive, the contracts are legally flawed and in violation of HUD requirements; further, the procurement of these contracts are highly questionable.

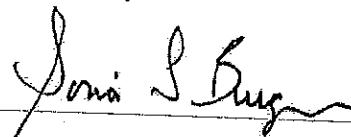
In our opinion the total fees for each contract year 2013 and 2014 are unexpectedly excessive; this is primarily because of the multi-layer fee structure in the contract that allows the attorney to charge all sorts of fees in the following manner. The root of the problem over these legal fees is a legally flawed contract which is deficiently executed and is in stark violation of HUD requirements. Also, the legal fees of the attorney's contract also revealed issues about UCHA's procurement practice.

In conclusion we recommend that they review and amend the contract to immediately correct the deficiencies in the contract and to immediately comply with HUD requirements, especially the requirements regarding litigation services, for which the attorney had not followed the duties and responsibilities required of UCHA and its counsel, see Litigation Handbook Sec. 3-3.

In the event you wish to contemplate enforcement actions to remedy the ongoing noncompliance as shown by these contract procurement, we refer you to the available measures prescribed in HUD regulations at 24 CFR 85.43(a). We have reproduced that section of the regulations and attached as Exhibit 1 herewith for your easy reference.

If you have any further questions, please contact Ms. Marie Borrero of my staff at (973) 776-7216.

Sincerely



Sonia L. Burgos
Director
Office of Public Housing

Enclosure

CC:

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