

Agency paid rent on vacant lots



Some funds put in personal account

By Olive Talley

Staff Writer

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Emergency assistance checks paid by a Dallas anti-poverty agency to help poor tenants avoid eviction were issued for rents at vacant lots, non-existent property and on behalf of homeowners who said they have never sought aid.

In addition, more than \$1,400 in rental assistance checks from the Dallas County Community Action Committee wound up in a bank account of the sister of former Dallas

school board member Robert Medrano, who also is a 20-year employee and center director for the DCCAC.

These transactions are among irregularities found through an examination of 19 rental assistance checks obtained by *The Dallas Morning News*.

The 19 checks amount to \$6,300 of an estimated \$130,000 paid to poor tenants between August 1986 and September 1987, DCCAC employees say.

Four of the emergency rental as-

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Facing eviction, were deposited into the joint account of Pauline Medrano and her boyfriend, Ricardo S. Amalla, according to check endorsements. The deposits were made although neither Ms. Medrano nor Amalla owns any of the property, according to tax records.

Robert Medrano picked up the checks for delivery in five cases. In two of those cases he also handled the paperwork for the applications.

Medrano denied any wrongdoing with the rental assistance checks. He said that he was unaware any checks were deposited in an account controlled by his sister, but that neither he nor his relatives had personally benefited from his position with DCCAC.

Neither Ms. Medrano, a marketing representative for the Texas Department of Agriculture, nor Amalla, a claims adjuster and legal assistant in the law office of state Rep. Al Granoff, returned repeated phone calls from *The News*.

Several state investigators who have reviewed the transactions say they appear to be fraudulent.

"It's very difficult to tell the difference between stupidity and criminality in this matter," said a lawyer and state investigator who has reviewed the transactions. "That's been the problem all along" with the DCCAC.

The investigator spoke on condition that he not be named.

Angeles Ramos, first vice president of the DCCAC board, said he was surprised to learn about the check irregularities. He said the board and law enforcement authorities must take steps to determine if any DCCAC employees committed crimes.

"It certainly does appear to give the appearance of wrongdoing," said Ramos, adding that the board would investigate the matter.

The discrepancies are part of



Robert Medrano... could face disciplinary action in connection with questionable financial matters.

stance payments, intended for landlords or managers of tenants

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federal agencies.

The *News*' inquiry into the rental assistance checks showed that:

■ In eight instances, landlords, property owners and tenants listed in the transactions denied any knowledge of the program and said they never received money from DCCAC.

■ In at least 15 instances, the addresses on checks and applications were vacant lots, an abandoned fast-food restaurant or non-existent property.

■ Several checks picked up for delivery by DCCAC employee Yvonne Rose, an administrative assistant, were cashed at food and liquor stores, including one in Conroe, 200 miles south of Dallas. In two cases, the checks were cashed the day before their issue date, records show.

Assistant Attorney General Carey Smith said he received a "packet" of checks and supporting documents, plus investigators' notes, from the Texas Department of Community Affairs in September. That department allocates and monitors state and federal grants issued to social service agencies.

Smith said the checks "obviously raised a red flag." He said his civil investigation has taken four months thus far because the records are voluminous and disorganized.

Smith also said he delivered the documents to Ted Steinke in the special crimes division of the Dallas County district attorney's office four months ago for possible criminal action.

Steinke confirmed he had the materials, but said he would not move forward without an invitation from the state.

Through the rental assistance program, DCCAC uses federal funds from two sources — the Federal Emergency Management Agency and Community Service Block Grants — to pay rents or partial

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income is below the federal poverty guideline. For a family of four, that amounts to \$11,200 a year.

DCCAC employees say that more than 700 Dallas-area residents received rental and partial mortgage assistance during fiscal 1987.

Records of all those transactions have been sought by *The News*, but Mary Baines, acting executive director of DCCAC, said that the agency's rental assistance records remain in the custody of the attorney general's office.

DCCAC officials have verified the authenticity of the 19 checks obtained by *The News*.

Five of the checks were processed by Robert Medrano in his capacity as center director. His recommendations were forwarded to Otis Brent, DCCAC's director of community development, who gave final authorization.

Brent said he was unaware of any irregularities when he approved the checks. He said he only made sure that required documentation was attached to the request. The transactions involved:

■ On Sept. 15, 1986, a check for \$375 was issued to Regina Gutierrez, the wife of Medrano's stepson, Richard Rodriguez. She was listed as the landlord for Rodriguez, whose Wy-cliff Avenue address is a house owned by Medrano Properties Ltd.

Robert Medrano acknowledged that the house is owned by a brother.