



Joint Press Release

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NAVAJO NATION RESPONDS TO SENATOR MCCAIN'S NHA INVESTIGATION STATING CORRECTIVE ACTIONS ARE IN PLACE TO ADDRESS FINDINGS

WINDOW ROCK — Today, Senator John McCain released findings and recommendations in regard to his office's investigation into claims the Navajo Housing Authority (NHA) mismanaged federal housing grants provided by the U.S. Department of Housing and Urban Development (HUD).

Navajo Nation President Russell Begaye said he welcomes the investigation of NHA by Senator McCain's office.

"We know that NHA has been under the microscope by both the federal government as well as the Navajo people," President Begaye said. "We take the report and the issues raised very seriously. Our number one concern has always been that the Navajo people receive adequate housing."

According to the findings, within the past ten years, NHA has received over \$803 million dollars in Indian Housing Block Grants (IHBG) and built only 1,110 new homes. The investigation findings also point to NHA's mismanagement of federal funds that resulted in cost overruns and schedule delays involving hundreds of homes. Findings also address NHA Board members using income generated from NHA rental properties used for travel to Hawaii and Las Vegas.

Based on the findings of the investigation, Senator McCain's recommendations include the following: Congress to reduce the Navajo Nation's Native American Housing Assistance and Self-Determination Act (NAHASDA) allocation; for NHA and the Nation to streamline the process for acquiring land and permitting; to replace NHA Board of Commissioners with professional board members; increased NHA site visits by HUD; NHA and HUD should provide Annual Performance Reports with clear data on how many houses have been serviced on a yearly basis with expenditures categorized per houses constructed or modernized and according to rental versus home ownership; and that the Navajo Nation Council consider recommendations to restrict NHA to managing its 1937 Housing Act rental units and designate a new TDHE for new home construction.

The president along with the members of the legislative branch and the newly appointed NHA Board are concerned with the recommendation to cap or reduce the federal government's allocation to the Navajo Nation for new homes.

“We feel this is a mistake because our people who need these homes shouldn’t pay the price for the seemingly inefficient operation or failure of NHA to build homes,” President Begaye said. “We are asking that the funding continue at the current level because the need remains critical.”

President Begaye said the Nation has taken drastic steps toward rectifying the lack of homes constructed by NHA in appointing a new NHA Board of Commissioners comprised of professionals with housing backgrounds to begin remediating the lack of housing construction on the Nation.

Speaker of the 23rd Navajo Nation Council, LoRenzo Bates said that Council is fully aware of the circumstances and challenges related to NHA.

“In collaboration with the Office of the President and Vice President, we have confirmed three of five new NHA board members and we have made it clear to the new board members that we demand accountability for utilizing NAHASDA funds efficiently in order to provide quality homes for Navajo families without further excuses,” Speaker Bates said.

Council Delegate Alton Joe Shepherd who serves as the chair of the Resources and Development Committee (RDC), which is the oversight authority for NHA, said the RDC understands the magnitude of the findings contained in the report.

“As the oversight authority for NHA, RDC is taking proactive steps to address the matter including improving qualification criteria for board membership and the ongoing process of replacing the NHA board members with individuals that bring extensive professional experience and educational backgrounds,” Shepherd said.

On behalf of the new NHA Board of Commissioners, Commissioner Kris Beecher said the Board understands the serious nature of the investigation findings. Beecher said the NHA Board has prioritized addressing the issues presented.

“The Navajo people are depending on the Board to create a new vision and leadership standard for NHA. We own this challenge and are 100 percent committed to meeting it head on. The Navajo people deserve nothing less,” Beecher said. “We look forward to working with all levels of our government to ensure an expedient and effective change for the betterment of the Navajo people.”

McCain’s investigation concludes that his office has no reason to doubt the skills and professional ability of NHA executives and staff but that his investigation indicates that “NHA lacks both the plan and capacity to achieve it’s goal of providing 34,000 homes to Navajo tribal members.”

“We cannot reconcile NHA’s lack of progress with the fact that the agency is supported by 350 employees and spends around 15% of the tribe’s annual IHBG allocation on ‘planning and administration’,” McCain stated. “The poor administration of IHBG funds by NHA has exposed the program to an excessive risk of waste, fraud and abuse.”

President Begaye said he looks forward to working with Senator McCain’s office and any federal agency that will be apart of remediating the investigation.

“We are look forward to working with our federal partners to make sure that homes are built for our people,” he said.