

PITTSBURGH COMMISSION ON HUMAN RELATIONS

A G E N D A
March 3, 2008

I. CALL TO ORDER

II. ADOPTION OF MINUTES

III. STAFF AND COMMITTEE REPORTS

A. Compliance Update

B. Director's Report

IV. NEW BUSINESS

V. ADJOURNMENT

Please be considerate of others; turn off cell phones.

/cmz

PITTSBURGH COMMISSION ON HUMAN RELATIONS

Minutes of Meeting

March 3, 2008

Attendance: Adelaide Smith, *Chair*

Leah Williams-Duncan	Dr. Lee Fogarty	Sister Eleanor Loftus
Winford Craig	Elizabeth Pittinger	Mary K. McDonald
Lynette Drawn-Williamson	Melanie Predis	Ann McCafferty
Rev. Tim Smith		

Called/Unable to attend:

Curtis Smith	Neil Parham
Jennifer Andrade	

Absent: Elbert Gray, Jr.

Staff:

Charles F. Morrison, <i>Director</i>	
Kevin Trower, Solicitor	Connie Miskis Zatek

I. CALL TO ORDER

The meeting was called to order at 3:42 p.m. by the Chair, Adelaide Smith.

II. ADOPTION OF MINUTES

The Minutes of the February 4, 2008, Commission meeting were unanimously adopted as circulated, upon motion by Dr. Fogarty and second by the Reverend Smith.

The Commission Chair, Adelaide Smith, thanked Commissioners for their lively discussions at last month's meeting, and Commissioner Pittinger for the neighborhood maps and other census data which helped to clarify much of those discussions.

Commissioner Smith reminded Commissioners that the April meeting will be first of two Commission meetings held in the community during 2008. It will be delayed one week (April 14 rather than April 7) and held in the Hazelwood community at the Car Barn on Hazelwood Avenue. The meeting of the Compliance Review Section will begin at 6 p.m. followed by the full Commission meeting at 7 p.m.

Director Morrison briefly explained the requirements of the Sunshine Act which requires that Commission meetings must be open to the public. He cautioned Commissioners that because the cases investigated by the Commission are also subject to confidentiality, the names of any parties should not be used during the course of their deliberations or discussions in a meeting.

III. STAFF & COMMITTEE REPORTS

A. Director's Report

Director Morrison highlighted information from the written report which was mailed to all Commissioners prior to today's meeting.

- **Compliance Update:** A contract has not yet been received from the EEOC for Fiscal Year 2008. The lower numbers of complaints filed nationwide has resulted in the availability of additional funds; therefore, the EEOC has provided \$3,500 to FEP agencies like the Commission to be used for education and outreach. The hope is that it will help to boost intake numbers. In prior years, the EEOC contract was not finalized as late as mid-March, even though it is effective October 1 of the prior year.
- **EEOC Conference:** Director Morrison attended the National EEOC/FEPA Director's Training Conference in Los Angeles the last week in February. It was reported that nationally FEP Agencies have noted a decrease in cases -- from 62,000 in 2003 to 48,000 now; and a 7% decrease from 2006 to 2007. EEOC is down only 2% for the same period. There is a lot of speculation as to the reasons for the decline.

Nationally, during the period 2003 – 2007, cases closed for no cause are approximately 61.7% for EEOC and 60.9% for FEPAs. Settlements amount to 10.7% for EEOC and 9.2% for FEPAs. The Director noted that this is a change from prior years, when FEP Agencies had more settlements than the EEOC. Cases closed as "withdrawal with benefits" amounted to 10.4% for FEPAs and 5% for EEOC.

A few years ago, EEOC established a national call center with an 800 number to accept/direct callers wishing to file a complaint. EEOC has now moved away from the national call center and is establishing regional call centers. The center for Pittsburgh callers will be operated out of Baltimore.

Another topic discussed was performance measurements. EEOC is trying to get a "handle" on the benefits that have come to America by virtue of the Civil Rights Act, which is now celebrating its 44th year. EEOC is collecting data in terms of public investment in creating agencies like the EEOC and how America has changed since the EEOC was established in 1966.

- **EEOC Regional Directors Meeting:** The Pittsburgh Commission on Human Relations co-hosted this annual meeting of regional directors and EEOC personnel in Pittsburgh in February. One topic of discussion was outreach. Director Morrison reported that EEOC has no money for outreach of their own, yet they are required to do outreach, therefore, they want to be a partner of local efforts. The Director stated that he is looking into the possibility of having a public service announcement produced for local TV and/or radio.
- **Meeting with Council member Bruce Kraus:** The Director met with Councilman Kraus to provide him with information about the Commission and its services, to answer any questions and to encourage the Councilman to use the Commission as a resource in helping with his own community education and outreach efforts. Director Morrison hopes to also meet with the other two new Council members in the near future.
- **Carnegie Mellon University:** George Simmons, Area Director of the Pennsylvania Human Relations Commission and Director Morrison spoke with students of CMU's Graduate School of Business regarding Managing in a Diverse Environment. Discussion included an overview of the types of cases we have seen. Director Morrison commented that the students asked good questions and felt there was good interaction.

IV. ANNOUNCEMENTS

- March 12, 2008, Rand Corporation will sponsor a conference on community violence. Commission Chair, Adelaide Smith, emphasized that she does not want "this Commission to let go of the energy generated at last month's meeting on this topic. I don't want to lose momentum. "
- April 9, 2008, 3 p.m. Duquesne University will host a national symposium addressing the growing crisis of handgun violence in America in the Power Center Ballroom on Forbes Avenue. Panelists include Jim Brady, Kathleen Kennedy Townsend, and parents of school shooting victims. Details were distributed to Commissioners via e-mail provided by Commissioner McCafferty.
- April is designated as Fair Housing Month. On April 11, 1968, President Johnson signed Title VII the Civil Rights Act, making this year, its 40th anniversary.

- The April Commission meeting will be held in the community – at the Hazelwood Car Barn – on April 14, 2008. The Reverend Smith is coordinating site details.
- Dr. Larry Davis, the Dean of Social Work at the University of Pittsburgh, will make a presentation on racial disparities at the April 14 Commission meeting. Dr. Davis' presentation is being coordinated by Commissioner Craig.
- On April 23, 2008, HUD will unveil the first ever Fair Housing Quilt in the lobby of the City-County Building. A short program will be held between 11 a.m. and 2 p.m. which will include guest speakers, entertainment and refreshments. The Mayor (or his representative) will also read a proclamation. Members of City Council will be invited. Director Morrison noted that this is a HUD initiative which is being coordinated through the Commission.
 - The Fair Housing Quilt is approximately six feet square and is comprised of squares designed and made by local fair housing agencies. Connie Zatek designed and embroidered the square for this Commission.
 - The Fair Housing Quilt will be on display in the City-County Building lobby from April 23 until May 1, 2008, then it will begin traveling to various borough and municipal buildings throughout Western Pennsylvania.
- At 7 p.m. on April 23, 2008, the Fair Housing Partnership of Greater Pittsburgh will hold its Second Annual Poetry Slam Contest at the *Improv* at the Waterfront in Homestead.
- On April 30, 2008, 1 – 4 p.m. the Commission will sponsor a Fair Housing Symposium at the University of Pittsburgh, William Penn Student Union. The keynote speaker will be Kim Kendrick, the Assistant Secretary for Fair Housing & Equal Opportunity. Ms Kendrick holds the highest federal office in fair housing in the nation, and she is a native of Pittsburgh.
- Robert Nelkin of the United Way will speak at the May Commission regarding reducing violence in the community.

VI. OPEN DISCUSSION

- Dr. Fogarty stated that Zonta Club of Pittsburgh will hold an award ceremony on May 21, 2008, at the Holiday Inn in Oakland, for junior high school girls who have begun to turn their lives around. She noted that these are young women who were headed in the wrong direction and, through positive mentoring, have begun to move their life forward. Each young lady will receive \$2500 toward the first year of post secondary education, with a chance to apply for a second award of \$2500 for the second year. In addition, Macy's will give each recipient a \$100 gift certificate to purchase suitable clothing for the event.

- Commissioner McDonald reported that she had attended the February 27th awards program for Peace it Together, sponsored by the Pittsburgh Mediation Center and the Center for Victims of Violent Crime. At that time she received information distributed by the Coalition Against Violence regarding workshops to be held at the Hill House throughout February and March.
- Commissioner Predis spoke about a professor at Penn State University by the name of Elijah Anderson, who wrote "Code of the Streets," an urban ethnography. She stated that the book details the culture of drugs and violence in North Philadelphia. Commissioner Predis indicated that Professor Anderson spoke at a conference at Duquesne University a few years ago and suggested that he be contacted to be a part of any agenda the Commission may develop on this subject. She stated that "his message is researched and real and contextualizes violence to help better understand where it comes from."

Commissioner Smith agreed that "we cannot try to propose solutions of which we have no cultural understanding," but she does want to develop a better appreciation. Commissioner Pittinger speculated that we are heading for a race war. "I don't think that typical solutions that we might offer will work."

Discussion turned to the Pittsburgh Organizing Group, a group of young people described by Commissioner Smith as pursuing other techniques – "they don't believe in voting but they do believe in change." She compared their approach to that of the Viet Nam era when civil disobedience affected change. Commissioner Pittinger stated that this group has adopted the symbols and rhetoric of anarchists; their leadership are elders who mentor the youth. She stated that they admit they are anarchists. Commissioner Predis agreed that these young people have no investment in the system and it is frightening; they beg on the streets yet they carry an ATM card in their pocket.

With no further business to address, the meeting was properly adjourned at 4:30 p.m.

Pittsburgh Commission on Human Relations Director's Report

February 25, 2008

- Jan. 28, 2008 Director Morrison attended the meeting of the City of Pittsburgh / Allegheny County Task Force on Disabilities. Discussion at the meeting covered issues with regard to the Access system, the treatment of persons with disabilities within the Allegheny County jail and the participation of the disabled in the area's food banks.
- Feb. 05, 2008 The Commission co-hosted a conference in Pittsburgh with the EEOC involving FEP agencies from EEOC's Philadelphia District. Issues discussed included outreach (the EEOC is providing money for outreach in 2008), case inventories and changes in EEOC's business practices.
- Feb. 12, 2008 Director Morrison met with City Council representative Bruce Kraus. The meeting provided an opportunity to discuss the programs and services of the Commission and to enlist represent Kraus and other members of City Council to involve the Commission in their work in the community.
- Feb 13, 2008 Director Morrison provided a presentation to the Allegheny County Office of Behavioral Health as part of their technical assistance training. The presentation covered the Commissions work in the areas of discrimination in employment, housing, and public accommodations with a particular focus on the ADA and the equivalent sections of the Fair Housing Act. There were 23 people in attendance.
- Feb. 20, 2008 Director Morrison and George Simmons, Regional Director of the Pennsylvania Human Relations Commission, made a presentation to the two graduate business school classes at Carnegie Mellon University which covered the programs, services and working relationships of the State and city Commissions. The program was entitled, "Managing in a Multi-Cultural Environment." There were 35 students in each class.

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News

24 indicted as mortgage fraud probe widens

Tuesday, February 05, 2008

By Dennis B. Roddy, Pittsburgh Post-Gazette



Bill Wade/Post-Gazette

U.S. Attorney Mary Beth Buchanan, with officials from federal, state and local law agencies, announces the launch of the Western Pennsylvania Mortgage Fraud Task Force.

Local, state and federal prosecutors yesterday issued a warning to the subprime lending industry and punctuated it with two dozen criminal indictments for mortgage fraud.

Flanked by officials from the state attorney general's office, postal inspectors, the IRS and the county sheriff, U.S. Attorney Mary Beth Buchanan announced a joint task force to look into what she said is widening evidence of fraud in the region.

"We are looking at certain people within the industry who have helped to perpetrate hundreds of frauds," she said at an afternoon news conference.

The announcement comes as a meltdown in the subprime mortgage market continues to roil global financial markets, threatening the U.S. economy as hundreds of billions in loans sold as investments on the bond market continue to default.

"This is a very serious criminal activity we're facing here in Western Pennsylvania. Unfortunately, we know that this is just the beginning of many of the cases that we're looking at very closely," said Ms. Buchanan.

The cases unveiled yesterday involved several mortgage service firms in the Pittsburgh area and totaled \$13 million in fraud, she said.

The fraud typically involves submitting false information to lenders to obtain loans that otherwise would not have been approved, authorities said.

The indictments handed up by a federal grand jury identified individuals connected with financial services firms in Carnegie, the West End, Pleasant Hills and Monroeville.

The largest indictment accuses 12 people working through Precision Mortgage in Carnegie of participating in a conspiracy involving fraudulent financial condition statements that included verifications of employment, verifications of bank deposits, inflated appraisals, and false pay stubs and W-2 earnings statements.

Accused in that case were Anthony Fields, 38, of Beall Drive, Whitehall; Alice Fields, 28, and Lisa Fields, 33, of Zephyr Avenue, Sheraden; Raymond Fields, 26, formerly of Beall Drive, Whitehall; Randy Carretta, 44, of Margaret Street, Whitehall; Jason Jester, 38, of Theresa Avenue, South Park; Aaron McCarthy, 43, of Knox Avenue, Knoxville; Andrea Revak, 47, of Oakleaf Road, Baldwin Borough; Joyce Davern, 66, and Kelly Fields, 35, both of Beall Drive, Whitehall; Sabrina Stetter, 46, formerly of Zara Street, Knoxville; and Wayne Fumea, 61, of Blairsville, Indiana County.

Another case focuses on fraud prosecutors say took place at Pope Financial Services and Sprouts Mortgage. In separate but related indictments, the grand jury accused Michael McFerron Pope, 43, of Aetna Drive, Upper St. Clair; Marlin Sprouts Jr., 52, of Uniontown; and James Spike, 43, of Republic, Fayette County, of mortgage fraud conspiracy. Grand jurors also accused Mr. Pope of two counts of money laundering.

Similar charges previously were filed against Tiffany Sprouts, who had a financial services company in the same office building as Mr. Sprouts. She has pleaded guilty and is awaiting sentencing.

The quartet are accused of recruiting six straw buyers who filed fraudulent mortgage applications to purchase properties the accused had picked out for them to buy.

Mr. Pope and Ms. Sprouts also are accused of temporarily depositing funds into the bank accounts of the straw buyers to fool lenders into thinking they had sufficient assets to qualify for the loans and make down payments. The indictments say properties involved in the scam are in Peters and Upper St. Clair.

Six others were charged in what the grand jury said was a mortgage scam run out of People's Home Mortgage in the city's West End. Among charges in that case, along with filing false financial information on customers who sought loans, was an accusation that they used unlicensed appraisers to establish the values of properties being purchased.

Accused in that case are Sharon Chamberlain, 39, of Westpointe Drive, Robinson; Colleen

Chiavetta, 35, and John Chiavetta, 68, both of McCoy Road, Stowe; Erika Stanford, 34, of Lindsay Road, Scott; Aaron Thompson, 32, of Grace Street, Crafton; and Leon Truskowski, 37, of McCoy Road, Stowe.

Another indictment named Daniel Gillen, 40, of Shady Drive East, Mt. Lebanon, who had been an employee of People's Home. Along with Ann Tonkovich, of Fombell, Beaver County, Mr. Gillen was accused of working through another firm, T&T Financial, to submit fraudulent loan applications as well as using unlicensed appraisers to estimate home values.

In both the T&T and People's cases, Mr. Gillen also is accused of acting as an appraiser without a license.

Two other firms, America's Mortgage Outlet and Single Source Mortgage, were named as the firms through which yet another defendant, Brian Tray, 51, of South 19th Street, South Side, was accused of submitting fraudulent loan applications that inflated borrowers' incomes, as well as fraudulent property appraisals. William Edgar, owner of America's Mortgage Outlet, was recently sentenced to 37 months in prison for mortgage fraud, the U.S. attorney said.

Law enforcement officials yesterday said a large number of fraudulent mortgages were obtained using what is known as "stated income" -- a good-faith estimate of a person's earnings not based on wage statements.

Such statements are legal, although they were originally intended to account for the incomes of the self-employed or individuals who received a sizable portion of their incomes from nonreceipt sources like restaurant tips.

Yesterday, one member of the task force, David Bleicken of the Pennsylvania Department of Banking, said his agency wants to see the rules for stated income loans tightened.

"We have a regulation that would eliminate them," he said. "That is a huge part of the fraud problem."

Dennis Roddy can be reached at droddy@post-gazette.com or 412-263-1965.

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