

HUD chief Jackson quits amid criminal probe

WASHINGTON (AP) — HUD Secretary Alphonso Jackson, his tenure tarnished by allegations of political favoritism and a criminal investigation, announced his resignation Monday amid the wreckage of the national housing crisis.

He leaves behind a trail of unanswered questions about whether he tilted the Department of Housing and Urban Development toward Republican contractors and cronies.

The move comes at a shaky time for the economy, with soaring mortgage foreclosures imperiling the nation's credit markets.

In announcing that his last day at HUD will be April 18, Jackson said only, "There comes a time when one must attend more diligently to personal and family matters."

Some Congressional Democrats had pushed for him to leave. Democratic presidential candidate Hillary Rodham Clinton said that while Jackson's resignation is "appropriate, it does nothing to address the Bush administration's wait-and-see posture to our nation's housing crisis."

House Speaker Nancy

Pelosi, D-Calif., said HUD will be called on to work with Congress on assisting refinancing for borrowers faced with imminent foreclosure.

The ethical allegations against Jackson "meant that the Bush administration's ineffective housing policies were being burdened by an even more ineffective HUD Secretary," Sen. Patty Murray, D-Wash., said after Jackson's announcement.

President Bush called Jackson "a strong leader and a good man." Ties between the two men go back to the 1980s when they lived in the same Dallas neighborhood. It was Jackson's personal ties to Bush that brought him to Washington, where he displayed a forceful personal style at HUD for seven years, first as the agency's No. 2 official and since 2004 in the top slot.

Despite a strong commitment to housing for those in need, Jackson was capable of ill-advised public comments.

Last year, after the subprime mortgage crisis erupted, many policymakers underlined the disproportionate impact of the high-risk, high-cost mortgages on mi-



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— Alphonso Jackson
HUD Secretary

norities and the elderly, who often are targets of predatory lending practices that lure people into loans they are incapable of repaying.

Asked about the problems with subprime mortgages last June, Jackson insisted that many such borrowers were not unsophisticated, low-income people but what he called "Yuppies, Buppies and Guppies" — well-educated, young, Black and gay upwardly mobile achievers — with expensive cars who bought \$400,000 homes with little or no money down.

In announcing his departure, Jackson said that in his time at HUD, "We have helped families keep their homes. We have transformed public housing. We have reduced chronic homelessness.

And we have preserved affordable housing and increased minority homeownership."

Bush has been cool to the idea of a big federal housing rescue. "The temptation of Washington is to say that anything short of a massive government intervention in the housing market amounts to inaction," the president said recently. "I strongly disagree with that sentiment."

On Monday on his way out of the country for a trip built around a NATO summit, Bush said he wants Congress to modernize HUD's Federal Housing Administration, allowing more struggling homeowners to refinance their mortgages.

In October, the *National*

Journal first reported on the criminal investigation of Jackson. The FBI has been examining the ties between Jackson and a friend who was paid \$392,000 by Jackson's department as a construction manager in New Orleans.

Jackson's friend got the job after Jackson asked a staff member to pass along his name to the Housing Authority of New Orleans.

In another instance of alleged favoritism that came to light in February, the Philadelphia housing authority alleges that Jackson retaliated against the agency because it refused to award a vacant lot worth \$2 million to soul-music producer-turned-community developer Kenny Gamble for redevelopment of a public housing complex.

U.S. District Judge Paul S. Diamond ruled Monday in Philadelphia that HUD acted legally and did not retaliate against the housing authority.

Jackson's problems began in 2006, when he told a group of commercial real estate executives that he had revoked a contract because the applicant who thanked him said he

did not like President Bush. Jackson later told investigators "I lied" when he made the remark about taking back the contract.

The probe of Jackson's comment by the HUD inspector general ended with no action taken against him, but the investigators brought to light friction between the HUD secretary and some contractors who have long done business with the agency, a number of them donors to Democrats.

On Monday, the IG's office said it had seen Jackson's latest remarks and "there is nothing more that we can add."

In the IG probe, some of Jackson's own aides contradicted his account of one incident in which investigators found the HUD secretary had blocked a contract for several months to one heavily Democratic donor. Jackson blamed his aides for the delay in the award.

Jackson was the first Black leader of the housing authority in Dallas, where his integration efforts caused clashes with some local homeowners in predominantly White neighborhoods.

Budget cuts hurting Black students all over California

By Leiloni De Gruy
Special to Sentinel-Voice

CARSON (NNPA) — California Gov. Arnold Schwarzenegger's proposed budget cuts at state university campuses have faculty, staff, students and alumni throughout the state up in arms.

And that is especially true at the Cal State Dominguez Hills campus.

"Students, especially minorities, attend CSUs because they're cheaper," said Shyrella Wilson, a Cal State Dominguez Hills graduate. "If fees continue to rise, there will be less people of color getting an education. Cal States are the epicenter for diversity and that will be ruined."

The governor has ordered budget reductions of \$386.1 million for the entire California State University system this year. That follows more than \$500 million in budget cuts from the 2002-03 and 2004-05 fiscal years, that education officials say they are still feeling.

According to CSU officials, those hardest hit will be African-American, other mi-

nority students, as well as low-income and first-generation college students. The concern is that a hike in tuition, student fees, the cost of textbooks, along with an increase in the cost of living, will be some students' tipping point, causing dropouts or discouraging some from enrolling all together.

African-Americans account for nearly 26,000 of CSU student enrollment statewide. Cal State Dominguez Hills enrolls the most African-American students throughout the entire system, 27 percent or slightly more than 3,200.

"It's going to affect, obviously, students of color most [and] it's going to affect students with marginal incomes," said Cecil E. Canton, associate vice president and chair of the council for affirmative action who has also joined the California Faculty Association in its fight against the state's budget cuts. "It will force students to have to go out and work more just to stay in [school]."

Today's student is no

longer just a student. A CSU report from 2006 showed that 44 percent of students are self-reliant and nearly one-quarter have dependents. In addition, four out of five students have jobs; one-quarter of which work 30 hours or more a week. It is mainly that group of self-reliant students with dependents, that will be affected the most by the budget cuts.

Statewide, CSU campuses have undergone six student fee increases in the last seven years, each influx amounting to more than \$100 a year.

"I think it's going to cut out the students who pay their own tuition," said Jennifer Frontela, the vice president of finance at Cal State Dominguez Hills.

"Not everyone qualifies for financial aid, so the students that don't qualify are going to have to come up with an extra \$200, \$300 a semester to pay for tuition. ...A lot of students are going to drop out, we see that every year. Freshmen come in and they get jobs; they just

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