

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
COMMERCE, SCIENCE, AND
TRANSPORTATION
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SMALL BUSINESS AND
ENTREPRENEURSHIP

May 24, 2016

The Honorable Jacob J. Lew
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, D.C. 20220

Dear Secretary Lew:

Over the last six months, my office has been investigating poor living conditions at Eureka Garden Apartments (Eureka Garden) in Jacksonville, Florida. On May 13th, I visited the complex to talk with residents and survey the state of disrepair. I saw crumbling stairs, rooms that haven't been upgraded in decades, and boarded-up windows that would trap children inside in the event of a fire. These conditions were plainly evident despite the owner's attempts to rush cosmetic repairs just 48 hours before my visit.

The owner of Eureka Garden is a nonprofit called Global Ministries Foundation (GMF) and its Chief Executive Officer is Reverend Richard Hamlet. This group operates over 60 apartment complexes in eight states across the country and receives over \$6 million annually for its Jacksonville operations. The poor conditions at many of its properties have been well-documented, with its Memphis properties recently losing the U.S. Department of Housing and Urban Development's (HUD) funding and its Jacksonville properties barely passing inspection. The poor quality of life for residents at GMF's properties stands in direct contrast to their claims that "millions" of dollars have been spent on repairs.

I am concerned by a number of questionable practices that exacerbate the discrepancy between the mission and status of GMF and the conditions its residents must endure. For instance, GMF claims that it is dedicated to the physical quality of its properties and backs up its commitment with significant investment in building repairs. However, as hundreds of residents and HUD can attest, these properties have not improved. As an organization exempt from income tax under section 501(c), GMF must file annual copies of Form 990. With years of access to tax records, the Internal Revenue Service could verify the amounts that GMF has reported as spending on "repairs" to determine whether or not their claims are true.

It has been reported that in the past that GMF failed to disclose the compensation of Reverend Hamlet's family members as required by tax rules. This lack of transparency is concerning

because it obfuscates the purposes of the nonprofit. Instead of “[providing] affordable housing across the United States and ministering to the physical, spiritual and emotional needs of our residents,” as GMF declares in its mission statement, the group may serve other purposes of more immediate financial benefit.

Finally, GMF is a 501(c)(3) nonprofit. However, in a radio interview, Reverend Hamlet said: “This is a business. This isn’t a church mission. These are business corporations that we set up, but we’re no different from a real estate investment trust or a private equity group.” This statement and the practice of receiving federal dollars without spending much on repairs raises concern regarding the organization of the nonprofit and the purpose of transferring funds between Reverend Hamlet’s nonprofit organizations.

I therefore request that the U.S. Department of the Treasury investigate the practices of GMF, its management, the amount of money spent on repairs, and properties under its ownership. If any civil or criminal laws have been violated by either private parties or government inspectors, I urge the Department to take appropriate action.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Marco Rubio', with a long horizontal flourish extending to the right.

Marco Rubio
U.S. Senator