

The Poverty Industrial Complex is well established since its early years in the 1960's. Lately, it seems that it is on "steroids" with the increased number of persons going on welfare, unemployment, social security disability, etc. This is all federal and there are state components that complement these. Food stamps have more than doubled to more than 47 million Americans receiving them. A lot of this is because it is more liberal in its use. People can easily buy liquor, cigarettes and other items with their food stamp card now.

Back in the 1960's, the Federal Government was sincere in finding ways to address America's discriminatory economic system. Under President Richard Nixon, the Section 3 of the HUD Act was implemented. This is also known as The Economic Opportunities for Low and Very-Low Income Persons. 24 CFR part 135 was implemented by former HUD Secretary George Romney in 1968. It was a response to urban unrest in Black communities, especially the Watts Riot of 1965. The program was strengthened by Secretary Jack Kemp in 1992 as a result of the Rodney King Riot in Los Angeles. Under the law thirty percent (30%) of all jobs created by HUD money are to go to people living in public housing or living under the poverty level (Section 3 workers). Also, 10% of all contracts should go to firms hiring those Section workers. Section 3 activity is broad. Waste removal, painting, landscaping, accounting, janitorial, daycare, construction and secretarial are some of the activities that can be applied to Section 3 opportunities. There are billions of dollars that apply to the Section 3 requirement annually. The goal is to use HUD funding to bring people into the workforce and out of poverty. If properly applied the need for HUD activity in our cities would start diminishing year by year.

In 1998, the NBCC learned that only 4 HUD grantees out of nearly 6,000 were complying with Section 3. Also, each grantee is to comply with annual activity reporting. Over 90% of these grantees were not even submitting their annual report. To the benefit of the current administration, the majority of grantees now take the time to submit an annual report. However, there are still no more than 4 grantees actually in compliance with Section 3. If the vast majority of grantees would comply, this nation would have over 100,000 new jobs for the unemployed per year and approximately \$5 billion in contracts for new or small business owners.

It was discovered during a three year review (2008 – 2010) by HUD that the Chicago Housing Authority received over \$1 billion in HUD funding. Not once during those three years did CHA hire a Section 3 company or utilize a Section 3 resident. This is happening all over the nation. There is a lot of economic damage done via this noncompliance and HUD knows it – that is the tragedy.

While people who have a vested interest in the poor remaining poor are all too willing to increase food stamps to the needy and to the hustlers (you can buy \$100 worth of stamps for \$50 in every city of the nation) opportunities are being denied to the willing. I was in a supermarket in Detroit when a hustler approached me. He said, "Sir, you have about \$70 worth of food in your cart. I will sell you \$70 worth of food stamps for \$35. I turned him down but was amazed when I checked out the amount was just a little over \$70.

Who are these cronies that prevent Section 3 from working? Construction unions want to keep possession of the jobs concerning the building and maintenance of public housing. They are a big player plus housing authority managers whose business is to keep people in poverty. Also, tenant association officers who feel empowered leading their "sheep" as opposed to freeing residents of poverty.

Congress should amend the law so that Section 3 residents or businesses can sue HUD grantees for noncompliance. The law does allow HUD to cease funding a grantee that is out of compliance but it has never done that. The city of Jacksonville, FL was discovered in noncompliance back in 1992. Today, 2013, Jacksonville still refuses to be in compliance and all HUD has done is write a few threatening letters which has had no effect. A few examples would go a long way in letting the grantees know that the federal government is serious about this program.

I have been looking for some courageous members of the Congressional Black Caucus to rise up and take the charge in making Section 3 a reality. They start off and then back off. The lobbyists are running this show as poverty is mega-bucks to the people who partake in the business side of it. The more people in poverty the better their business. People, please wake us!

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