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November 6, 2002

Steven Fritts, Chairman
Appraisal Subcommittee
Federal Financial Institutions Examinations Council
2000 K Street, N.W.
Suite 310
Washington, D.C.

Dear Chairman Fritts:

The Appraisal Foundation report prepared at the request of the Bureau of Land Management and dated October 9, 2002 unleashed an unwarranted and unsavory effort to interfere in the political process and recklessly charge that I may have broken the law or been involved in misconduct. This report was not in keeping with standards espoused by the Appraisal Foundation. Instead, I believe it was written with deliberate malice.

As a person who has personally supported the Appraisal Foundation and an individual that was subject to extreme criticism in the report, I ask that the Appraisal Subcommittee review the Appraisal Foundation Report. Given the seriousness of the allegations, the review should include an analysis of the factual information and whether they produced a report that complies with reasonable evidentiary report writing standards.

Instead of preparing a report requested by the BLM, the Appraisal Foundation took the liberty to interfere with a proposed legislative land exchange, make false and damaging accusations, generate public distrust and cynicism, give the impression that managers unduly influence the judgment of review appraisers and that many appraisers are disloyal and insubordinate.

The Team failed to provide an independent, objective assessment of BLM's organization, staffing, compliance with appraisal standards, the report relies on old audit reports, newspaper articles, anecdotes, and information from a few disgruntled current and former BLM appraisers. The report alleges chronic disregard for laws, regulations and policy, employee misconduct, and wrongdoing requiring further investigation. The report unjustifiably and maliciously criticizes BLM managers and portrays appraisers as being completely unable or ineffective in protecting their independence.

- The Appraisal Foundation report is politically motivated, reflects an appraisal industry bias for a separate Federal appraisal agency, and attempts to sanctify appraiser opinions of value and undermine the role and responsibility of agency managers.
- The report was an irresponsible attempt to ruin my reputation and credibility within the appraisal community. This was a "hatchet job" and the Appraisal Foundation should not have tolerated such irresponsible behavior.
- The report was a complete surprise. The Appraisal Foundation, Appraisal Standards Board advocates reporting standards based on basic honesty,

disclosure of potential bias, professional competency and integrity, evidence and analysis reasonably supporting the report conclusions. This report is completely contrary to those and other professionally recognized reporting standards.

- The report was offensive, insulting, and confrontational. There was no evidence to support such outlandish charges or recommendations. The report was irresponsible and replete with innuendo, hearsay, and false allegations. The intent was to sensationalize allegations, inflame emotions, and destroy continued efforts by the BLM staff to improve the land exchange and appraisal process.

The Appraisal Foundation trustees have failed in their responsibility to rein in irresponsible behavior of persons representing the Foundation. The writers of the report have been arrogant and failed to make any substantive changes in response to BLM's concerns. These actions have severely diminished the Appraisal Foundation's credibility by violating even the most basic ethical and reporting standards contained in the Uniform Standards of Professional Appraisal Practice.

I would appreciate your review.

Sincerely,

David Cavanaugh