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New York/New Jersey Office
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OFFICE OF INSPECTOR GENERAL
Office of Audit

May 18, 1998

Audit Related Memorandum
No. 98-NY-209-1803

MEMORANDUM FOR: Joan Spilman, Director, Office of Public Housing
Buffalo Area Office

FROM: Alexander C. Malloy, District Inspector General for Audit
New York/New Jersey

SUBJECT: Municipal Housing Authority of the City of Utica
Public Housing Drug Elimination Program
Utica, New York

We conducted an audit of the City of Utica's Municipal Housing Authority's (PHA) Public Housing Drug Elimination Program (PHDEP) for Fiscal Years 1994 through 1996. The purpose of the review was to determine whether the PHA used its PHDEP grants to effectively reduce drug related crime and to evaluate the benefits of the program.

As provided in the Conclusion section of this memorandum, we found that the PHA has developed, implemented, and administered the PHDEP grant in an economical, efficient and effective manner. We also found that the PHA has made adequate efforts in reducing drug related crime, and that the residents of the PHA are satisfied with the results of the program. Consequently, our review did not disclose any reportable deficiencies.

If you or your staff have questions, you should contact William H. Rooney, Assistant District Inspector General for Audit, on (212) 264-8000, extension 3976.

A copy of this memorandum has been provided to the PHA.

Background

The goals of the PHDEP are to eliminate drug related crimes and problems associated with it; encourage Housing Authorities and Resident Management Corporations to develop a plan to address drugs and other related problems that includes prevention and intervention initiatives that can be sustained over a period of several years. Also, HUD encourages PHAs in its Notice of Fund Availability (NOFA) to utilize the PHDEP for other eligible activities such as job training, employment opportunities, economical and educational opportunities, and referrals for family support services. The PHA targets family developments where the greatest need exists for support provided by the PHDEP.

To receive PHDEP funding, PHAs must submit an annual grant application to HUD, using a PHDEP application kit, which contains eligibility requirements, selection information and rating criteria. The number of points an application receives depends on the extent to which an application is responsive to information requested in the NOFA. Applications are evaluated based on four selection criteria: (1) extent of crime at PHA sites; (2) quality of the PHAs anti-crime plan; (3) capacity of the PHA to implement its plan; and (4) extent to which residents and locality participate in and support the PHA's anti-crime plan.

The PHA received its first PHDEP grant in 1990 and has received additional grants every year. The PHA uses its PHDEP grant funds in three main areas: law enforcement for additional security and protective services (line item 9110); drug prevention and intervention personnel (line item 9170); and security consultants to monitor all aspects of security for the projects (line item 9120).

For Fiscal Years 1994 through 1996, the PHA received and disbursed PHDEP grant funds as follows:

Fiscal Year	Grant Award	Disbursed (as of 12/31/97)	Remaining Balance
1994	\$296,250	\$296,250	\$ 0
1995	\$330,600	\$330,600	\$ 0
1996	\$326,400	\$152,561	\$173,839
Totals	\$953,250	\$779,411	\$173,839

Scope

We limited our review to the PHA's controls and procedures over the administration and implementation of the PHDEP for Fiscal Years 1994 through 1996. Our objectives were to ensure that applicable program goals were being achieved in law enforcement, drug prevention/intervention, and security consulting. To achieve our audit objectives, we:

- Interviewed the managers of HUD Buffalo Area Office, Public Housing Division (PIH), Operations Manager to determine what controls the PIH has in place to confirm the receipt of required Performance and Financial Reports. Also, we wanted to determine whether any sanctions have been imposed on the PHA for noncompliance of the Grant Agreement(s).
- Interviewed PHA staff on administrative practices over the PHDEP to evaluate if the PHA was performing in an economical and effective manner.
- Interviewed Tenant Commissioners, Presidents of Tenant Organizations, and a Tenant Secretary to obtain their opinions regarding tenants' satisfaction and the effectiveness of the PHDEP pertaining to security and drug prevention/intervention.
- Interviewed the PHA's Drug Advisor to obtain his opinion on the overall impact of the PHDEP at the PHA.
- Reviewed PHDEP vouchers totaling \$153,560.69 (\$100,108.22 from FY 95 representing 30% of total expenditures and \$53,452.47 from FY 96 representing 35% of total expenditures) to determine the reasonableness and eligibility of program costs.
- Reviewed HUD's Line of Credit Control System (LOCCS) and accounting records to ensure grant disbursements were made in a timely manner.
- Reviewed documentation supporting the PHA's application and outcome reports to evaluate whether the PHA made satisfactory progress toward its drug elimination goals.
- Interviewed PHA staff on the PHDEP application process and possible PHDEP program improvements.

Audit work was performed in January and February, 1998 and covered the audit period from October 1, 1994 through September 30, 1997 and was extended to include subsequent periods where appropriate.

Conclusion

The PHA has developed Drug Elimination Plans which target the specific needs of its developments. Further, the PHA's programs have been effective in making the residents feel safer by sensing a reduction of crime in their developments. Likewise, there is evidence that drug related arrests have decreased in the PHA developments since the start of the PHDEP. Regarding drug prevention, the PHA has an extensive approach to provide alternatives to drugs. They have established partnerships with community based organization along with providing in-house programs for the youth and adult residents. The amounts expended to carry out these programs, under the FY 1995 and FY 1996 grants, were eligible program expenses. Moreover, the PHA's semi-annual performance reports were submitted timely.

The semi-annual outcome reports were to be a means to show details and provide a measurement of progress in drug elimination efforts. However, the PHA was unable to provide the information requested in the manner HUD outlined. Likewise, the PHA was unable to provide the information timely. One reason for this is that the Utica Police Department's crime data tracking system is not computerized and the arrest information is not maintained in a manner that would identify PHA residents. Thus, the PHA had to rely on the Utica Observer-Dispatch, its local newspaper, to obtain information on the arrests of its tenants. The information in the newspaper may not include all crimes because they are published as space allows. Further, the statistical information needed to report was not available within the 30 day reporting period. Also, the Uniform Crime Reports do not provide crime information on a semi-annual basis, only yearly. As such, the outcome reports did not provide an effective means to measure the impact of the PHDEP funds on crime rates.

However, our review disclosed that the PHA has made ample attempts to obtain crime statistics affecting the PHA. Moreover, the PHA utilizes the crime information in developing its plans to provide security coverage. Further, our interviews of tenants revealed that they are satisfied with the efforts that the PHA has made in providing a safe living environment. Also, the PHA officials we spoke with felt that the PHDEP program has been effective in achieving its goals.

The PHA's drug prevention efforts are evident through the following programs:

- The PHA's involvement with PRIDE, The Parent's Resource Institute for Drug Education, which has been leading the fight to prevent illegal drug and alcohol use by young people. The trained facilitator role is to educate the PHA parents about their rights and responsibilities to maintain the health and safety of dependent children.
- Utica Community Action, Inc. has provided PHA youth with positive alternatives to drugs. The mission of the agency is to assist economically disadvantaged persons to attain the skills, knowledge, and motivation to gain self-sufficiency. For example, the partnership with the PHA included the establishment of case management at Adrean Terrace Opportunity Center offering a full range of social service programs such as baby clinics, youth build programs, and pre-employment classes.
- Board of Cooperative Educational Services (BOCES) entered into a contract with the PHA to offer residents a training program entitled "Resident Self-Sufficiency Training" providing basic interior maintenance, repair and painting program. Upon completion of the program, local unions and contractors have been contacted and requested to provide employment opportunities for participants.

As a result of our review, we have determined that the Municipal Housing Authority of the City of Utica has developed, implemented, and administered the PHDEP grants in an economical, efficient and effective manner. Consequently, we are not making any recommendations in this memorandum.

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