



Issue Date	September 7, 2005
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Audit Report Number	2005-LA-1009
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TO: Cecilia J. Ross, Director, Los Angeles Office of Public and Indian Housing,
9DPH



FROM: Joan S. Hobbs, Regional Inspector General for Audit Region IX, 9DGA

SUBJECT: Inglewood Housing Authority, Inglewood, California, Housing Choice Voucher Program, Did Not Ensure Tenant Reexaminations and Housing Quality Standards Inspections Were Completed Properly and in a Timely Manner

HIGHLIGHTS

What We Audited and Why

We audited the Inglewood Housing Authority (Authority) in response to a request from the U.S. Department of Housing and Urban Development's (HUD) Los Angeles Office of Public and Indian Housing. This is the third of four audit reports resulting from our audit of the Authority.

Our audit objectives were to determine whether the Authority (1) accurately, thoroughly, and clearly determined tenant eligibility in the Section 8 Housing Choice Voucher program in accordance with statutory, regulatory, and HUD requirements; (2) made Section 8 subsidy payments only for units that provided decent, safe, and sanitary housing for its tenants; and (3) maintained an accurate housing assistance payment register.

What We Found

The Authority did not always ensure that the initial certification was completed with all necessary documents, resulting in \$153,495 in unsupported housing assistance payments. The Authority also did not complete tenant reexaminations in a timely manner. The late reexaminations ranged from 4 to 184 days late.

The Authority's unit inspections did not sufficiently detect housing quality standards violations and were not always completed in a timely manner. We inspected 35 units and found that 25 contained a total of 119 violations, resulting in \$27,411 in housing assistance payments for units that did not meet minimum standards. We also reviewed the timeliness of the Authority's inspections for 137 tenants and found that 26 of the inspections were not completed by the tenants' anniversary dates as required.

In addition, the Authority did not maintain an accurate housing assistance payment register. Our review of the Authority's October 2004 register identified inaccuracies due to problems with 20 tenants because these tenants were either deceased, had erroneous and/or false Social Security numbers, or were no longer receiving housing assistance, resulting in \$107,916 in unsupported housing assistance payments.

What We Recommend

We recommend that HUD require the Authority to develop and implement procedures to follow up on missing tenant eligibility documents and to document efforts to obtain such documents in the corresponding tenant files. We also recommend that the Authority follow up on the missing documents for the tenants in our sample, determine their eligibility for continued housing assistance, and repay HUD from nonfederal funds for the portion of the \$153,495 in unsupported housing assistance payments for those tenants determined to be ineligible.

We recommend that HUD require the Authority to repay the appropriate HUD program \$27,411 for ineligible expenses paid for units that were not decent, safe, and sanitary; provide documentation of reimbursement by the owner for \$6,864 received on behalf of the deceased tenant and repay the appropriate HUD program; provide documentation supporting the validity of the Social Security numbers for the tenants with multiple numbers or repay \$107,916 in housing assistance payments; and develop a quality control plan to ensure inspections comply with HUD regulations.

For each recommendation without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-3.

Please furnish us copies of any correspondence or directives issued because of the audit.

Auditee's Response

We provided the Authority the draft report on August 8, 2005. The Authority declined to hold an exit conference and agreed to provide its written comments on the draft report by August 24, 2005. Subsequently, the Authority requested an extension to provide their written comments and was granted an extension until August 31, 2005. On September 1, 2005, we told the Authority that we would be issuing the report without comments if not received by close of business on September 2, 2005. The Authority still had not provided any written comments as of September 7, 2005; therefore, we issued the report without its comments.

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BACKGROUND AND OBJECTIVES

The City of Inglewood, located at Inglewood City Hall, One Manchester Boulevard, Inglewood, California, incorporated in 1908. The city administrator is responsible for setting operational goals, implementing legislative action, making policy decisions approved by the mayor and city council, monitoring the annual operating budget, overseeing the personnel system, and providing direction to all city departments to ensure they meet the needs of the community. The Inglewood Housing Authority (Authority) is a blended component unit of the Community Development Department. The governing body of the Authority is comprised of members of the city council and the mayor. Among its duties, it approves the Authority's budget and appoints its management. The financial activities of the Authority are reported as a special revenue fund of the city.

The Authority has a baseline allocation of 1,002 Section 8 housing choice vouchers and an additional 1,167 vouchers from tenants transferring from other housing authorities. HUD's approved budget authority for the Authority's Housing Choice Voucher program is as follows:

Fiscal year	Amount
2001	\$6,634,392
2002	\$6,786,996
2003	\$6,564,723
2004	\$7,033,835

The Authority began receiving rental certificates from HUD in 1975 to provide decent, safe, and sanitary housing for low-income citizens. The Authority has a primary focus on improving service delivery to clients, expanding their housing choice voucher options, providing them safe environments in which to live, and improving compliance with changing HUD policies. The voucher program and current regulations were created under the Housing and Urban Rural Recovery Act of 1983 to enable eligible lower income families to obtain modest housing in the private sector that is decent, safe, and sanitary. HUD provides the rental subsidy to the landlords through its public housing agencies. The public housing agency's administrative plan must contain procedures for determining eligibility for and denial of assistance.

The public housing agency establishes the family's eligibility upfront but is then required to reexamine the income and composition of the families at least annually. The reexamination determines the continued eligibility of the family and establishes the housing assistance payment amount to be made on behalf of the family. The public housing agency must establish a policy regarding annual reexamination effective dates that ensures reexamination for every family takes effect within a 12-month period. Verification information obtained at reexamination must be no more than 120 days old on the reexamination effective date. It is important that the public housing agency has tracking and monitoring procedures and systems in place to ensure that the required reexaminations for each assisted family are initiated and completed on time for each assisted family. If third party verification information is not received in a timely fashion, the public housing agency should choose an acceptable alternate form of verification and document in the tenant file the effort made by the public housing agency to obtain third party verification.

The goal of the Housing Choice Voucher program is to provide decent, safe, and sanitary housing at an affordable cost to low-income families. Accordingly, program regulations set forth basic housing quality standards, which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. Housing quality standards define “standard housing” and establish the minimum criteria necessary for the health and safety of program participants. At least annually, it is the responsibility of the public housing agency to conduct inspections of units to determine compliance with housing quality standards before the execution of the entire term of the assisted lease.

This audit report is the third of four audit reports resulting from our audit of the Authority.

Our audit objectives for this report were to determine whether the Authority (1) accurately, thoroughly, and clearly determined tenant eligibility in its Section 8 Housing Choice Voucher program in accordance with statutory, regulatory, and HUD requirements; (2) made Section 8 subsidy payments only for units that provided decent, safe, and sanitary housing for its tenants; and (3) maintained an accurate housing assistance payment register.

RESULTS OF AUDIT

Finding 1: The Authority Did Not Always Ensure That Tenants Were Eligible for Assistance

We reviewed 72 tenant files and found 43 were missing a total of 96 required documents. Also, 15 tenant reexaminations were completed between 4 and 184 days late. The tenant files were incomplete because the Authority did not develop and implement procedures in its administrative plan to follow up on missing tenant eligibility documents, use alternative certifications when documents could not be obtained, and document followup efforts for the missing documents in the corresponding tenant files. We attribute the late reexaminations to inadequate procedures in the Authority's administrative plan to allow adequate time to complete the annual reexaminations according to HUD requirements. As a result, HUD lacked assurance that tenants whose initial certifications were processed without the required eligibility documents were eligible for housing assistance, resulting in \$153,495 in unsupported housing assistance payments. The late tenant reexaminations caused tenants to either overpay or underpay their rent.

The Authority Did Not Always Ensure Initial Certifications Were Completed with All Required Eligibility Documents

We reviewed 72 tenant files and found that 43 (60 percent) were completed without obtaining 84 required initial eligibility documents (see appendix B). We also determined that 11 of the 43 certifications were completed without reexamination documents that should have been obtained. The Authority could not provide evidence that it made a good faith effort to obtain the documents. The number of missing documents ranged from one to eight documents per tenant/family and included the following:

Initial certifications		
Proof of citizenship/legal residency	36	(38%)
Driver's license	5	(5%)
Social Security card	11	(11%)
Birth certificate	32	(33%)
Reexaminations		
Personal declaration form	7	(7%)
Compliance with annual requirements recertification form	5	(5%)
Total	96	

As shown above, the missing documents were for items that are critical to establishing the identity and eligibility of the tenant/family. Therefore, while it is allowable to complete the initial certification and reexaminations without all of the documents, the Authority must document its attempts to obtain the documents.

The Authority Did Not Always Complete Reexaminations in a Timely Manner

We also found that 15 (21 percent) of the 72 tenant reexaminations were not completed in time to be in effect by the tenants' anniversary dates as required by HUD's Housing Choice Voucher Guidebook. We also noted that the Authority did not accurately document when it completed the reexaminations; the forms only showed tenant anniversary date and the process date. We found that the Authority completed the reexaminations late, but backdated the reexamination completion date to the tenant anniversary date; therefore, we could not determine the true completion dates. Consequently, we used the tenant's anniversary date and the date the Authority's process date to calculate the number of days late. The late reexaminations ranged from 4 to 184 days late (see appendix C) and caused six tenants to overpay before the reexamination was completed. The other nine tenants underpaid their portion of the rent before the reexamination was completed. We reviewed the tenant files and did not find written notifications to the tenants about the rent overpayments or underpayments. The Authority's housing manager claimed that the Authority instructs the tenants to reduce the rent for the next month by the overpayment amount or works out a plan directly with the respective landlords to correct any rent underpayments; however, the Authority could not provide documentation to substantiate this claim.

Conclusion

The lack of required tenant eligibility documents occurred because the Authority did not establish procedures in its administrative plan to follow up on missing eligibility documents, use alternative certifications when documents could not be obtained, and document its efforts to obtain such documents in the corresponding tenant files. As a result, HUD lacked assurance that tenants, whose certifications were processed without their eligibility being documented, were eligible for housing assistance; thus, we questioned the eligibility of \$153,495 in housing assistance payments.

The late reexaminations caused six tenants to overpay their rent before the reexaminations were completed and nine tenants to underpay their rent. We attribute the late reexaminations to inadequate procedures in the Authority's administrative plan to allow adequate time to complete the annual reexaminations according to HUD requirements.

Recommendations

We recommend that the director of the Los Angeles Office of Public and Indian Housing direct the Authority to

- 1A. Obtain eligibility documents (see appendix B) or repay HUD from nonfederal funds the portion of the \$153,495 in housing assistance payments that remain unsupported.
- 1B. Develop and implement procedures in the administrative plan relating to followup for missing tenant eligibility documents and maintain the resident history log to document the Authority's efforts to obtain the documents.
- 1C. Make adjustments to the administrative plan as needed to allow sufficient time to complete the tenant reexaminations in a timely manner.

Finding 2: The Authority's Inspections Did Not Sufficiently Detect Housing Quality Standards Violations and Were Not Always Completed in a Timely Manner

We inspected 35 units and found that 25 contained a total of 119 housing quality standards violations. We also reviewed the timeliness of the Authority's inspections for 48 tenants and found that 26 of the inspections were not completed by the tenants' annual anniversary dates as required. The inadequate inspections occurred because the Authority did not develop a quality control plan to ensure inspections complied with HUD regulations. The late inspections occurred because the Authority did not have an adequate system in place to ensure that all annual inspections were appropriately scheduled and completed in a timely manner. As a result, the Authority did not ensure that its program participants resided in housing that was decent, safe, and sanitary; and we questioned \$27,411 in housing assistance payments made for units that did not meet the minimum standards.

25 of 35 Units Contained Housing Quality Standards Violations

We inspected a nonstatistical sample of 35 units and found that 25 contained a total of 119 housing quality standards violations. While the units inspected were generally livable and structurally sound, they were not decent, safe, and sanitary as required by HUD. Of the 25 units with violations, 22 (88 percent) had 47, 24-hour emergency repair violations (detailed in appendix D). The other three (12 percent) had nonemergency violations. We noted that the Authority's inspectors had previously inspected these units and had passed 18 of the 25 units without citing violations. For example, one unit we inspected disclosed 17 violations (six were 24-hour emergency repair items); however, the Authority had inspected this same unit five months earlier and had passed the unit with no comments or problems noted, although according to the tenants, the violations existed at that time. Some of the major 24-hour emergency repair violations we identified during our inspections included items such as

- ✓ Garbage disposal has exposed electrical wiring and faceplate for the on/off switch missing, posing a fire hazard.
- ✓ Heater is inoperable.
- ✓ Gas leak.
- ✓ Broken mirrors/windows.
- ✓ Inoperable gas burner.
- ✓ Inoperable smoke detectors.

Examples of nonemergency violations we found included items such as

- ✓ Plumbing leaks/continuous water running in bathroom.
- ✓ Bathroom cabinet crumbling due to water corrosion, mildew, or dark organic growth.
- ✓ Hot water faucet handle missing.
- ✓ Water heater temperature-pressure relief valve missing.

While it is possible that some violations could have occurred during the period between the two inspections, many of the violations we identified occurred over a lengthy period and should have been identified by the Authority's inspectors during their last inspection of the unit.

Below are photographs illustrating some of the major violations found.

Location: 3714 W. 106th Street



Exposed electrical wiring on/off switch for garbage disposal

Location: 411 W. Queen Street, #6



Broken medicine cabinet mirror

Location: 6619 West Blvd., #1



Hole in the ceiling.

After reviewing the 35 inspections sampled, we found deficiencies that varied in their level of urgency or importance. Therefore, we categorized the deficiencies by the four different levels and assigned a dollar amount attributable to each level. We determined the four levels based on our judgment and analysis of the Authority's administrative plan, HUD handbooks and directives, applicable to *Code of Federal Regulations* references, and discussions with the HUD Office of Inspector General's (OIG) appraiser. We applied this methodology to conclude there was \$27,411 in housing assistance payments made for units that were not decent, safe, and sanitary. Based on the level of importance, the calculations are based on a dollar amount per unit or a percentage from the first housing assistance

payments to the end of the fieldwork. A complete explanation of our methodology is detailed in appendix E.

The Authority Did Not Perform Housing Quality Standards Inspections in a Timely Manner

We also reviewed the timeliness of the Authority's inspections for 137 units and found that 26 of the units' inspections between fiscal years 2001 and 2004 were not completed by the tenants' annual anniversary dates as required by 24 *Code of Federal Regulations* Part 982.405 and ranged from 3 to 100 days late. However, there appears to be a growing trend of inspections not conducted on time. As shown in the table below, for fiscal year 2004, 13 of 45 inspections were not conducted on time, which is nearly double the number from the previous year. In addition, for fiscal year 2004, only 32 of 45 inspections were completed on time. The Authority changed to a new computer system but is not using the capability to track the timely completion of annual inspections.

Inspections	2004	2003	2002	2001	Total
Not conducted on time	13	7	6	None	26
On time	32	34	22	23	111
Total	45	41	28	23	137

Note: The 137 units was derived from the 50 units we selected for inspections.

Conclusion

The inadequate inspections occurred because the Authority did not develop a quality control plan to ensure inspections complied with HUD regulations. As a result, the Authority did not ensure that its program participants resided in housing that was decent, safe, and sanitary; and we questioned housing assistance payments of \$27,411 for units that did not meet the minimum housing quality standards.

The late inspections occurred because the Authority did not have an adequate system in place to ensure that all annual inspections are appropriately scheduled and completed in a timely manner. As a result, the Authority did not ensure that its program participants resided in housing that was decent, safe and sanitary.

Recommendations

We recommend that the director of the Los Angeles Office of Public and Indian Housing require the Authority to

- 2A. Repay to HUD the \$27,411 from nonfederal funds for housing assistance payments it paid for ineligible units.
- 2B. Develop a quality control plan that to ensure inspections comply with HUD regulations.
- 2C. Establish controls in its procedures to ensure that annual unit inspections are completed by the tenants' annual anniversary dates.
- 2D. Reinspect the units shown in appendix D and ensure that all violations have been corrected.

Finding 3: The Authority Did Not Maintain an Accurate Housing Assistance Payment Register

Our review of the Authority's October 2004 register identified inaccuracies regarding problems with 20 tenants because the tenants were either deceased, had erroneous and/or false Social Security numbers, or were no longer program participants receiving housing assistance. These inaccuracies occurred because the Authority did not have adequate procedures and controls to ensure that tenants were removed from the register as needed, entries into the housing assistance payment register were accurate, tenants' Social Security numbers and other information were validated during their initial certification and the information received on tenants that ported from another jurisdiction was verified. As a result, the Authority made housing assistance payments of \$6,864 to at least one owner on behalf of a deceased tenant and \$107,916 for tenants who may not be eligible.

The Authority's Housing Assistance Payment Register Was Not Accurate

Our review disclosed that contrary to section 14 of its annual contributions contract, the Authority did not maintain an accurate housing assistance payment register. We queried the tenants' Social Security numbers in the October 2004 register and identified problems with 20 tenants. Initially, our query showed that 18 of these tenants were using Social Security numbers associated with deceased persons and the other two were valid numbers but had not been issued by the Social Security Administration. We conducted further reviews of these 20 tenants and found the following problems, discussed separately below.

Deceased (seven tenants): We identified seven tenants who were deceased but still on the Authority's housing assistance payment register. The Authority was aware of the deceased status of four of the tenants and had discontinued their housing assistance payments but had not removed them from the register.

The Authority was not aware that the other two tenants were deceased until we informed the Authority. The Authority was not paying a subsidy for one of the tenants because the inspectors could not get access to the property. However, it improperly paid housing assistance payments of \$6,864 to the owner between April 2004 and April 2005 for the other tenant. After we brought this to the Authority's attention, the responsible housing specialist submitted a cancellation of payment to the accounts payable department and sent a letter to the owner requesting reimbursement of the housing assistance payments.

Our query showed that the remaining tenant's Social Security number was associated with a deceased person; however, the Authority was unable to locate

the tenant's file. Thus, we were unable to validate the status or eligibility of the tenant.

Legitimate tenants – input errors (six tenants): We identified six tenants who had multiple Social Security numbers shown within the tenant files. We ran a second validation of the Social Security numbers and found that the tenants were legitimate and receiving housing assistance, but the Authority made errors when it input the tenants' Social Security numbers into the housing assistance payment register.

Tenants with false Social Security numbers (four tenants): We identified four additional tenants who had multiple Social Security numbers shown within the corresponding tenant files. We noted that three of the four tenants ported from other public housing agencies with multiple Social Security numbers. The other tenant was not a portable tenant. We ran a second validation of the Social Security numbers and found that the Social Security numbers being used by these tenants did not belong to them. We were unable to determine the tenants' legitimate Social Security numbers.

Tenants no longer receiving housing assistance (three tenants): We identified three tenants who were no longer program participants and were not receiving housing assistance but were still listed on the housing assistance payment register. One tenant had moved, and the other two had ported out to another jurisdiction.

Conclusion

The inaccuracies on the housing assistance payment register occurred because the Authority did not have adequate procedures and controls in its administrative plan to ensure that tenants were removed from the register as needed, entries into the housing assistance payment register were accurate, tenants' Social Security numbers and other information were validated during their initial certifications, and information received on tenants who ported from another jurisdiction were verified. As a result, the Authority improperly continued making housing assistance payments of \$6,864 to an owner on behalf of a deceased tenant and \$107,916 in unsupported housing assistance payments to tenants who may not be eligible.

Recommendations

We recommend that the director of the Los Angeles Office of Public and Indian Housing

- 3A. Ensure that the Authority collects \$6,864 in ineligible housing assistance payments from the owner, who was paid for the deceased tenant, and reimburse the funds to the appropriate HUD program.
- 3B. Instruct the Authority to validate the tenants' Social Security numbers in the future and ensure the Authority develops and implements procedures in its administrative plan to validate Social Security numbers during the initial examination process and when tenants port in from another jurisdiction.
- 3C. Require the Authority to provide documentation supporting the validity of the Social Security numbers for the tenants who showed multiple numbers or repay HUD \$83,343 in unsupported housing assistance payments.
- 3D. Require the Authority to provide documentation supporting the validity of the Social Security numbers for the tenants who showed multiple numbers or repay \$24,573 in unsupported housing assistance payments plus any additional payments made to date to the appropriate HUD program.

SCOPE AND METHODOLOGY

We performed the audit from September 2004 through February 2005. The audit covered tenants during the audit period of October 1, 2001, through September 30, 2003. We expanded the scope of the audit as necessary. We reviewed applicable guidance and discussed operations with management and staff personnel at the Authority and key officials from HUD's Los Angeles Office of Public and Indian Housing. The primary methodologies included

- Reviewing applicable HUD regulations at 24 *Code of Federal Regulations* Part 982, the Housing Choice Voucher Guidebook 7420.10G, and the Authority's administrative plan.
- Interviewing management and staff responsible for the reexamination of tenants and conducting housing unit inspections.
- Performing a nonstatistical sample of tenants on the October 2004 housing assistance payment register. We initially selected a statistical sample of 325 tenants, but was later reduced the sample size to 82 tenants (25 percent). Ultimately, we reviewed 72 of the 82 tenants because the Authority could not locate four tenant files and we excluded another six tenants because two were port-in tenants, two ported to another jurisdiction, and the other two are under an abatement.
- Reviewing tenant files in our sample to determine whether the reexamination was completed in a timely manner with the proper documentation.
- Conducting inspections of a nonstatistical sample of 48 (3 percent) of 1,740 units that were inspected by the Authority in fiscal year 2004 to determine whether they met housing quality standards. We only inspected 35 of the 48 because of problems in contacting the tenants or gaining unit access.
- Comparing the lease date and the inspection date on 100 percent of the 1,740 units' housing quality standards inspections performed during fiscal year 2004 to determine whether the annual inspections were performed in a timely manner.
- Reviewing 100 percent of the units originally selected for inspection to determine the timeliness of the Authority's inspections during the period 2001 through 2004.
- Reviewing the tenant Social Security numbers contained in the October 2004 housing assistance payment register to validate them against Social Security Administration data as of September 1, 2004.

We conducted our audit in accordance with generally accepted government auditing standards and included tests of management controls that we considered necessary under the circumstances.

INTERNAL CONTROLS

Internal control is an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls relate to management's plans, methods, and procedures used to meet its mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined the following internal controls were relevant to our audit objectives:

- Policies and procedures to ensure the Authority makes a good faith effort to follow up on missing documents to validate tenant eligibility.
- Policies and procedures to ensure tenant reexaminations are completed in a timely manner.
- Controls over performing housing quality standards inspections.
- Policies and procedures to ensure the Authority maintains accurate books and records, including its housing assistance payment register.

We assessed all of the relevant controls identified above during our audit of the Authority's Section 8 program.

A significant weakness exists if management controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations will meet the organization's objectives.

Significant Weaknesses

Based on our review, we believe the following items are significant weaknesses:

The Authority did not

- Have procedures to follow up on missing tenant eligibility documents during the initial examination and document those efforts and related tenant certifications in the corresponding tenant files (finding 1).
- Have adequate procedures to ensure timely completion of tenant reexaminations and annual inspections (findings 1 and 2).
- Develop a quality control plan to ensure inspections comply with HUD regulations (finding 2).
- Have procedures to ensure that its housing assistance payment register was accurately maintained (finding 3).

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

Recommendation number	Ineligible <u>1/</u>	Unsupported <u>2/</u>
1A		\$153,495
2A	\$27,411	
3A	\$6,864	
3C		\$107,916
Total	\$34,275	\$261,411

1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law; contract; or federal, state, or local policies or regulations.

2/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.

Appendix B

SCHEDULE OF TENANT FILES WITH MISSING DOCUMENTS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Missing documents								Calculation of unsupported housing assistance payments							
No.	Tenant identification number	Cert of residency	Driver's license	Social Security card	Birth cert	Pers decl	Compliance forms	Total	Payment to owner	Tenant portion	Total	Anniv. date	Modified date	Months elapsed	Total payments	
1	1V2677	1						1	\$ 750	\$ -	\$ 750	10/1/2004	2/1/2005	4	\$ 3,000	
2	1V2236				1			1	\$ 581	\$ 169	\$ 750	9/1/2004	2/1/2005	5	\$ 2,905	
3	104003	1		1	1			3	\$ 523	\$ 193	\$ 716	3/1/2004	2/1/2005	11	\$ 5,753	
4	102052		1	1	1		1	4	\$ 625	\$ 225	\$ 850	10/1/2004	2/1/2005	4	\$ 2,500	
5	109005	1		1	1			3	\$ 573	\$ 162	\$ 735	6/1/2004	2/1/2005	8	\$ 4,584	
6	1V2300				1			1	\$ 572	\$ 178	\$ 750	12/1/2004	2/1/2005	2	\$ 1,144	
7	1V2773				1			1	\$ 474	\$ 276	\$ 750	10/1/2004	2/1/2005	4	\$ 1,896	
8	1V2157				1			1	\$ 611	\$ 129	\$ 740	11/1/2004	2/1/2005	3	\$ 1,833	
9	1V2526	1						1	\$ 690	\$ 25	\$ 715	7/1/2004	2/1/2005	7	\$ 4,830	
10	106024	1						1	\$ 404	\$ 134	\$ 538	8/1/2004	2/1/2005	6	\$ 2,424	
11	102020		1	1	1			3	\$ 665	\$ 195	\$ 860	7/1/2004	2/1/2005	7	\$ 4,655	
12	213017	3			3		1	7	\$ 672	\$ 163	\$ 835	11/1/2004	2/1/2005	3	\$ 2,016	
13	1TV830	1					1	2	\$ 565	\$ 181	\$ 746	2/1/2005	2/1/2005	0	\$ 0	
14	2EQ037	5			3			8	\$ 262	\$ 440	\$ 702	6/1/2004	2/1/2005	8	\$ 2,096	
15	205010	3			2			5	\$ 726	\$ 310	\$ 1,036	2/1/2004	2/1/2005	12	\$ 8,712	
16	102027	2						2	\$ 181	\$ 484	\$ 665	4/1/2004	2/1/2005	10	\$ 1,810	
17	109014	1						1	\$ 604	\$ 166	\$ 770	8/1/2004	2/1/2005	6	\$ 3,624	
18	2V1076				1	1		2	\$ 703	\$ 297	\$ 1,000	3/1/2004	2/1/2005	11	\$ 7,733	
19	207026	2						2	\$ 622	\$ 243	\$ 865	8/1/2004	2/1/2005	6	\$ 3,732	
20	111013	1				1		2	\$ 507	\$ 163	\$ 670	2/1/2004	2/1/2005	12	\$ 6,084	
21	102041	1			1			2	\$ 828	\$ 147	\$ 975	9/1/2004	2/1/2005	5	\$ 4,140	
22	1TV1026	1						1	\$ 538	\$ 162	\$ 700	5/1/2004	2/1/2005	9	\$ 4,842	
23	2TV086	2	1	1				4	\$ 906	\$ 70	\$ 976	6/1/2004	2/1/2005	8	\$ 7,248	
24	102002	1						1	\$ 596	\$ 151	\$ 747	8/1/2004	2/1/2005	6	\$ 3,576	
25	1EQ001					1		1	\$ 457	\$ 168	\$ 625	5/1/2004	2/1/2005	9	\$ 4,113	
26	1V2818				1			1	\$ 512	\$ 238	\$ 750	10/1/2004	2/1/2005	4	\$ 2,048	
27	1V2121				1			1	\$ 557	\$ 168	\$ 725	8/1/2004	2/1/2005	6	\$ 3,342	
28	1V2658				1			1	\$ 546	\$ 169	\$ 715	9/1/2004	2/1/2005	5	\$ 2,730	
29	102064						1	1	\$ 570	\$ 197	\$ 767	11/1/2004	2/1/2005	3	\$ 1,710	
30	1TV485	1						1	\$ 294	\$ 328	\$ 622	9/1/2004	2/1/2005	5	\$ 1,470	
31	202080				2	1		3	\$ 893	\$ 230	\$ 1,123	4/1/2004	2/1/2005	10	\$ 8,930	
32	102080	1			1			2	\$ 463	\$ 162	\$ 625	5/1/2004	2/1/2005	9	\$ 4,167	
33	1V2467	1						1	\$ 632	\$ 168	\$ 800	5/1/2004	2/1/2005	9	\$ 5,688	
34	1TV738	1						1	\$ 412	\$ 167	\$ 579	11/1/2004	2/1/2005	3	\$ 1,236	
35	101023			1	1	1	1	4	\$ 649	\$ 151	\$ 800	3/11/2004	2/1/2005	10 mos 21 days	\$ 6,521	

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Missing documents							Calculation of unsupported housing assistance payments							
No.	Tenant identification number	Cert of residency	Driver's license	Social Security card	Birth cert	Pers decl	Compliance forms	Total	Payment to owner	Tenant portion	Total	Anniv. ¹ date	Modified date	Months elapsed	Total payments
36	102061			1	1			2	\$ 552	\$ 163	\$ 715	Sept. 1, 2004	2/1/ 2005	5	\$ 2,760
37	102045	2	1	1				4	\$ 540	\$ 196	\$ 736	2/1/2005	2/1/2005	0	\$ 0
38	105005				1			1	\$ 628	\$ 172	\$ 800	8/1/2004	2/1/2005	6	\$ 3,768
39	106012				1	1		2	\$ 208	\$ 442	\$ 650	7/1/2004	2/1/2005	7	\$ 1,456
40	1V2520				1			1	\$ 570	\$ 180	\$ 750	7/1/2004	2/1/2005	7	\$ 3,990
41	2V2728		1	1	1			3	\$ 783	\$ 217	\$ 1,000	11/1/2004	2/1/2005	3	\$ 2,349
42	106001	1		1	1	1		4	\$ 511	\$ 239	\$ 750	6/1/2004	2/1/2005	8	\$ 4,088
43	101026	1		1	1			3	\$ 498	\$ 202	\$ 700	10/1/2004	2/1/2005	4	\$ 1,992
	Total	36	5	11	32	7	5	96							
		38%	5%	11%	33%	7%	5%	100%							\$ 153,495

Legend:

Column	Title	Description of column
1	Tenant identification number	The tenant identification number
2	Cert of residency	The tenant's missing a certificate of residency to document the tenants and/or family members that were missing proof of citizenship
3	Driver's license	The tenant's drivers license is missing
4	Social Security card	The tenant's Social Security card is missing
5	Birth cert	The tenant's and/or family member's birth certificate is missing
6	Pers Decl	The tenant's file does not include a personal declaration form
7	Compliance forms	The tenant's file does not include the personal declaration form and/or the compliance with recertification form
8	Total	The total number of missing documents for each tenant for columns 2 through 7
9	Payment to owner	The owner's portion of the housing assistance payment
10	Tenant portion	The amount of rent the tenant has to pay the landlord (owner)
11	Total	Total payment for the unit (columns 9 and 10)
12	Anniv. date	The tenant's anniversary date to recertify eligibility and amount of Section 8 assistance
13	Modified date	The end of OIG's onsite field work
14	Months elapsed	The number of month/days the Authority has not received the missing documents (column 12 minus column 13)
15	Total payments	Total of housing assistance payments owner received while documents were missing (column 9 times column 14)

¹ We numerically formatted dates in the appendixes of this report in the sequence month, day, and year. For example, October 1, 2004, was formatted as 10/1/04.

Appendix C

SCHEDULE OF TENANT RENT OVERPAYMENTS/UNDERPAYMENTS

Overpayment of rent:

1	2	3	4	5	6	7
Tenant identification number	Prior payment to owner	Current payment to owner	Overpayment	Anniversary date	Process date	Number of days late
1TV1026	\$409	\$538	\$129	5/1/04	7/8/04	68
2TV086	\$868	\$906	\$38	6/1/2004	6/9/2004	8
1TV485	\$190	\$294	\$104	9/1/2004	10/6/2004	35
1TV2172	\$464	\$486	\$22	10/1/2004	10/13/2004	12
2V2382	\$681	\$796	\$115	7/1/2004	8/3/2004	33
101023	\$481	\$649	\$168	3/11/2004	5/17/2004	67

Underpayment of rent:

1	2	3	4	5	6	7
Tenant identification number	Prior payment to owner	Current payment to owner	Underpayment	Anniversary date	Process date	Number of days late
102020	\$665	\$655	\$10	7/1/2004	11/3/2004	125
202028	\$898	\$760	\$138	10/1/2004	11/22/2004	52
1EQ001	\$464	\$457	\$7	5/1/2004	9/23/2004	145
3EQ006	\$1,252	\$1,243	\$9	10/1/2004	10/5/2004	4
1V2121	\$562	\$557	\$5	8/1/2004	10/5/2004	65
102080	\$464	\$463	\$1	5/1/2004	11/1/2004	184
1EQ022	\$440	\$407	\$33	4/1/2004	4/5/2004	4
106012	\$222	\$208	\$14	10/1/2004	11/22/2004	52
2V2728	\$810	\$783	\$27	11/1/2004	11/15/2004	14

Legend:

Column	Title	Description of column
1	Tenant identification number	The tenant identification number
2	Prior payment to owner	The housing assistance payment received by the owner before the tenant's anniversary date
3	Current payment to owner	The housing assistance payment received by the owner after the anniversary date
4	Underpayment/overpayment	Column 2 minus column 3
5	Anniversary date	The date the tenant is supposed to recertify
6	Process date	The date the Authority processed the annual reexamination forms
7	Number of days late	Column 5 minus column 6
8	Total underpayment/overpayment	Column 7 divided by 30 days (one month) times column 4

Appendix D

SCHEDULE OF VIOLATIONS FOUND IN UNITS THAT DID NOT MEET HOUSING QUALITY STANDARDS

Types of violations	Number of violations
*Smoke detectors	25
*Exposed electrical wiring/missing face plate(s) --- electrical	7
*Heat – no heat or hazardous	7
*Gas burner(s) not working	3
*Broken glass (window or mirror)	3
*Gas leaks	2
Subtotal (24-hour violations)	47
Doors, windows, and locks	17
Kitchen or bathroom water leak resulting in corrosion, mildew, or dark organic growth	7
Shower/bath tub	6
Water heaters	6
Heater protective shields	5
Flooring	4
Continuous running or dripping water	4
Trash and debris	3
Bedroom mildew/moisture or dark growth	2
Wall outlets	2
Garbage disposal	2
Gas lines	2
Exterior surfaces	2
Stove/refrigerator	2
Structural	2
Building elevator	2
Exhaust or ventilation	1
Unauthorized living space	1
Cabinets	1
Fire hazard	1
Total	119

Appendix E

SCHEDULE OF MONETARY BENEFITS CALCULATIONS

Calculation of monetary benefits:

	Level 1(a)	Level 1 (b)	Level 1(c)	Level 2	Level 3(a)	Level 3(b)	Level 4	Total
Total units	8	8	16	3	1	1	0	23
Total dollars	\$11,276	\$400	\$400	\$90	\$2,360	\$12,885	0	\$27,411

Calculation methodology:

Level 1 has three categories: a, b, and c. Level 1(a) is for life-threatening, 24-hour repair deficiencies such as electrical hazards and gas leaks. The deficiency is \$100 of the housing assistance payment per unit identified with the deficiency. Level 1(b) is a non-life-threatening, 24-hour emergency repair such as heating, stoves, and water heaters. The deficiency is \$50 per unit identified with the deficiency. Level 1(c) is for smoke detectors, a 24-hour emergency repair. We took into consideration that the smoke detector could have been working at the time of the inspection and the batteries could have been removed by the tenant; therefore, we imposed \$25 per unit.

Level 2 is for nonemergency repairs, which can be completed by the Authority in 30 days. The deficiency is \$30 per unit of the housing assistance payments.

Level 3 has two categories, a and b. Level 3(a) indicates that the unit is illegally split into multiple units with only one utility meter for all units. The deficiency is 25 percent of the housing assistance payments. Level 3(b) indicates that a building has been converted into a unit that otherwise is unallowable by local codes for the purpose of obtaining housing assistance payments. For example, a garage is converted into living quarters. We assessed 100 percent of the unit's housing assistance from the date of the last recertification to the end of fieldwork.

Level 4 is for abatements. An abatement indicates that the owner is not entitled to housing assistance because the owner or tenant did not correct the deficiencies found during the inspection. When the Authority has inspected the unit and it does not pass inspection, the Authority sends a letter to the owner regarding the deficiencies, and the owner or tenant has 30 days in which to make the repairs with an additional 10 days for the inspector to reinspect the unit. We assessed 100 percent of the housing assistance payment from 40 days after the reinspection of the unit to the last day of fieldwork.