



Issue Date	July 6, 2006
Audit Report Number	2006-CH-1011

TO: Thomas Marshall, Director of Public Housing Hub, 5DPH

FROM:  Heath Wolfe, Regional Inspector General for Audit, 5AGA

SUBJECT: The Columbus Metropolitan Housing Authority, Columbus, Ohio, Did Not Effectively Operate Its Section 8 Housing Program

HIGHLIGHTS

What We Audited and Why

We audited the Columbus Metropolitan Housing Authority's (Authority) Section 8 Housing Choice Voucher program (program). The audit was part of the activities in our fiscal year 2005 annual audit plan. We selected the Authority based upon a risk analysis that identified it as having a high-risk program. Our objective was to determine whether the Authority managed its program in accordance with the U.S. Department of Housing and Urban Development's (HUD) requirements. This is the first of two audit reports on the Authority's program.

What We Found

The Authority's program administration regarding housing unit conditions, timeliness of annual housing unit inspections, and adequate documentation to support housing assistance payments was inadequate. Of the 67 housing units statistically selected for inspection, 47 did not meet HUD's housing quality standards and 34 had 164 violations that existed at the time of the Authority's previous inspection. The 34 units had between 1 and 17 preexisting violations per unit. Based on our statistical sample, we estimate that over the next year HUD will pay more than \$7.5 million in housing assistance payments on units with material housing quality standards violations.

The Authority failed to ensure that its housing unit inspections were conducted timely. Of the 8,976 unit inspections conducted by the Authority in calendar year 2005, 966 (10.8 percent) inspections were not conducted within the required one year of the previous inspection. The number of days late ranged from 1 to 144 and 93.5 percent of the late inspections were less than 30 days late. The Authority also failed to ensure that its tenant files contained required documentation to support its payment of housing assistance. Of the 76 files statistically selected for review, 35 (46 percent) did not contain the documentation required by HUD and the Authority's program administrative plan. The Authority also incorrectly calculated housing assistance payments resulting in more than \$12,000 in overpayments and more than \$11,300 in underpayments from January 2003 through December 2005.

What We Recommend

We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its program from nonfederal funds for the improper use of more than \$83,000 in program funds, provide documentation or reimburse its program more than \$332,000 from nonfederal funds for the unsupported housing assistance payments and administrative fees, ensure that program housing units inspected during this audit are repaired to meet HUD's housing quality standards, and implement adequate procedures and controls to ensure program units meet housing quality standards to prevent an estimated \$7.5 million from being spent on units with material housing quality standards violations.

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 issued because of the audit.

Auditee's Response

We provided our discussion draft audit report to the Authority's executive director, its board chairman, and HUD's staff during the audit. We held an exit conference with the Authority's executive director on June 6, 2006.

We asked the Authority's executive director to provide comments on our discussion draft audit report by June 23, 2006. The Authority's executive director provided written comments dated June 22, 2006. The Authority disagreed with our findings and recommendations. The complete text of the written comments, along with our evaluation of that response, can be found in appendix B of this report except for 284 pages of documentation that was not necessary for understanding the Authority's comments. A complete copy of the Authority's comments plus the documentation was provided to the director of HUD's Cleveland Office of Public Housing.

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BACKGROUND AND OBJECTIVE

The Columbus Metropolitan Housing Authority (Authority) is a nonprofit governmental entity created by the State of Ohio Board of Housing on May 8, 1934, to provide decent, safe, and sanitary housing. The Authority's jurisdiction encompasses Franklin County, Ohio, with the exception of seven townships. A five-member board of commissioners governs the Authority. The mayor of the City of Columbus, the Franklin County Common Pleas Court, the Franklin County Probate Court, and the Franklin County Board of County Commissioners appoint one member each to the Authority's board to five-year staggered terms. The Authority's executive director is appointed by the board of commissioners and is responsible for coordinating established policy and carrying out the Authority's day-to-day operations.

The Authority administers a Section 8 Housing Choice Voucher program (program) funded by the U.S. Department of Housing and Urban Development (HUD). The Authority provides assistance to low and moderate-income individuals seeking decent, safe, and sanitary housing by subsidizing rents with owners of existing private housing. As of April 17, 2006, the Authority had 10,755 units under contract with annual housing assistance payments totaling more than \$57 million in program funds.

Our objective was to determine whether the Authority operated its program according to HUD's requirements. This is the first of two audit reports on the Authority's program.

RESULTS OF AUDIT

Finding 1: Controls over Housing Quality Standards Need Improvement

The Authority did not adequately enforce HUD's housing quality standards. Our inspections found that 47 of 67 program units statistically selected for inspection did not meet minimum housing quality standards. Also, the Authority did not always perform its annual program unit inspections within one year. The violations existed because the Authority failed to exercise proper supervision and oversight of its program unit inspections. The Authority also lacked adequate procedures and controls to ensure that its program units met HUD's housing quality standards. As a result, \$44,855 in program funds was not used efficiently and effectively. Also, program tenants lived in units that were not decent, safe, and sanitary. Based on our statistical sample, we estimate that over the next year HUD will pay more than \$7.5 million in housing assistance payments on units with material housing quality standards violations.

HUD's Housing Quality Standards Not Met

From the 3,492 program units that were inspected by the Authority between July 1 and November 30, 2005, we statistically selected 67 units for inspection by using the U.S. Army Audit Agency's Statistical Sampling System software. The 67 units were inspected to determine whether the Authority ensured that its program units met HUD's housing quality standards. Our appraiser inspected the 67 units between January 9 and January 27, 2006.

Of the 67 units inspected, 47 (70 percent) had 312 housing quality standards violations. In addition, 34 of the 47 units had 164 violations that existed before the Authority's previous inspections and 23 units were considered to be in material noncompliance since they had multiple violations and/or a violation was noted in the Authority's previous inspections but not corrected. Of the 312 violations, 13 of the 47 units had 148 violations that could not be determined whether the violations pre-existed at the Authority's latest inspections and were not identified on the Authority's inspection reports. Seven units had 12 violations that were identified by the Authority during its previous inspections and were shown on the Authority's inspection reports. The following table categorizes the 312 housing quality standard violations in the 47 units.

Category of violations	Number of violations
Electrical	85
Window	23
Exterior surface	19
Wall	18
Range/refrigerator	16
Stairs, rails, and porches	16
Smoke detectors	16
Security	15
Floor	15
Lead-based paint	14
Roof/gutters	12
Ceiling	10
Fire exits	9
Foundation	6
Evidence of infestation	5
Flush toilet in enclosed space/fixed wash basin or lavatory in unit	5
Chimney/heating equipment	4
Access to Unit	4
Water heater	3
Garbage and debris	3
Space for preparation, storage, and serving of food	3
Tub or shower in unit/sink	3
Other interior hazards	2
Site and neighborhood conditions	2
Interior stairs and common halls	2
Ventilation/plumbing	<u>2</u>
Total	<u>312</u>

We provided our inspection results to the director of HUD's Cleveland Office of Public Housing and the Authority's executive director on March 14, 2006.

Electrical Violations

Eighty-five electrical violations were present in 34 of the Authority's program units inspected. The following items are examples of electrical violations listed in the table: outlets with open grounds, no cover on junction box, ground fault circuit interrupters do not trip, and loose wires. The following pictures are examples of the electrical-related violations identified in the Authority's program units inspected.

Unit #030570: Missing the cover for the electrical panel in the unit's basement.



Unit #027975: Exposed bare wires present on the unit's basement wall.



Window Violations

Twenty-three window violations were present in 15 of the Authority's program units inspected. The following items are examples of window violations listed in the table: window does not lock, peeling paint, loose glazing, and rotting windows. The following pictures are examples of the window violations identified in the Authority's program units inspected.

Unit #014598: Loose glazing on a bedroom window sash.



Unit # 028984: Warped bedroom window sash and window cannot be locked without extreme force applied to the sash.



Exterior Surface Violations

Nineteen exterior surface-related violations were present in 16 of the Authority's program units inspected. The following items are examples of exterior surface-related violations listed in the table: missing handrails, loose main fuse box cover plate, exposed contacts on outdoor electrical panel, and power line across the backyard. The following pictures are examples of the exterior surface-related violations.

Unit #005674: Electric power line from the utility pole to the neighbor's house on the backyard ground and draped over the fence.



Unit #026820: Basement stairway exit without a handrail and filled with debris.



Annual Inspections Not Performed in a Timely Manner

The Authority did not always perform its annual inspections within one year. Of the 8,976 units inspected by the Authority in calendar year 2004, 1,309 (14.5 percent) were not conducted in accordance with the annual requirement. Of the 1,309 late annual inspections, 1,278 were less than 30 days late. There were 31 annual inspections more than 30 days late. The latest inspection was 172 days overdue. For the 8,976 unit inspections performed in calendar year 2005, 966 (10.7 percent) were conducted late. Of the 966, 903 were less than 30 days late and 63 were more than 30 days late. The latest inspection was 144 days overdue.

Of the 31 late annual inspections in 2004, nine units materially failed to meet HUD's housing quality standards when they received their annual inspection. A total of \$5,658 in housing assistance payments was paid to the owners of the nine units. For the 63 late annual inspections in 2005, 16 materially failed to meet HUD's housing quality standards when they received their annual inspection. A total of \$14,944 in housing assistance payments was paid to the owners of the 16 units that did not meet HUD's housing quality standards at the time of their annual inspection in 2005. The total paid to units that were inspected late and failed to meet housing quality standards in 2004 and 2005 was \$20,602 (\$5,658 plus \$14,944) plus \$5,846 in administrative fees paid to the Authority.

The Authority's program director said the reason for the late annual inspections was that annual inspection notifications were issued at the same time the Authority issued the tenant certification notifications. The annual inspections were conducted in relationship to certifications and not the date when the last annual inspection was conducted. However, there was no program requirement for certifications and inspections to be conducted at the same time. The Authority's program inspection department manager said the Authority did not track whether annual inspections were conducted annually, only whether they were performed within a given time frame after the inspection was assigned to an inspector.

Causes for Violations

The housing quality standards violations existed because the Authority failed to exercise proper supervision and oversight of its program unit inspections. The Authority also lacked adequate procedures and controls to ensure that its program units met HUD's housing quality standards. It did not ensure that supervisors and housing inspectors received adequate housing quality standards training; skills, knowledge, and ability requirements were followed when hiring new inspectors; quality control reviews were selected randomly; and its administrative plan was updated to include information included in HUD Guidebook 7420.10 issued in April 2001.

The late annual inspections occurred because the Authority lacked adequate controls to track the timeliness of inspections and it performs its annual inspections to coincide with annual certifications, instead of the previous annual unit inspection.

Conclusion

The Authority's tenants were subjected to health and safety-related violations and the Authority did not properly use its program funds when it failed to ensure that units complied with HUD's housing quality standards. In accordance with 24 CFR [*Code of Federal Regulations*] 982.152(d), HUD is permitted to reduce or offset any program administrative fees paid to a public housing authority if it fails

to enforce HUD's housing quality standards. The Authority disbursed \$41,099 in program housing assistance payments for the 23 units that materially failed to meet HUD's housing quality standards and received \$3,756 in program administrative fees.

If the Authority implements adequate procedures and controls over its unit inspections to ensure compliance with HUD's housing quality standards, we estimate that more than \$7.5 million in future housing assistance payments will be spent for units that are decent, safe, and sanitary. We determined this amount by multiplying 1,187 units (estimate that would be in material noncompliance with housing quality standards if appropriate actions are not taken by the Authority) times \$529 (average monthly subsidy of each housing unit). This amount was then annualized to give the total estimate.

Recommendations

We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to

- 1A. Certify along with the owners of the 47 program units cited in this finding repaired the applicable housing quality standards violations.
- 1B. Reimburse its program \$44,855 from nonfederal funds (\$41,099 for housing assistance payments and \$3,756 in associated administrative fees) for the 23 units that materially failed to meet HUD's housing quality standards.
- 1C. Implement adequate procedures and controls to ensure that all units meet HUD's housing quality standards within the next 12 months to prevent \$7,535,076 in program funds from being spent on units that are in noncompliance with the standards.
- 1D. Reimburse its program \$26,448 from nonfederal funds (\$20,602 in housing assistance payments for the units that were more than 30 days late in receiving their annual inspection and failed to meet HUD's housing quality standards when they were inspected and the \$5,846 in associated administrative fees) for the 25 units that materially failed to meet HUD's housing quality standards and were late in receiving their annual inspections.
- 1E. Implement procedures and controls to ensure that inspection supervisors efficiently and effectively assure that program units are inspected at least annually to meet HUD's housing quality standards before disbursing housing assistance payments. The procedures and controls should include but not be limited to developing reporting procedures to ensure that management and inspection supervisors can track and monitor when annual inspections are due and when they are completed.

Finding 2: Controls over Housing Assistance Payments Were Inadequate

The Authority failed to comply with HUD's regulations and its program administrative plan regarding housing assistance payments. The Authority lacked documentation to support issuing housing assistance payments to program landlords and incorrectly calculated housing assistance payments because it did not have adequate procedures and controls to ensure HUD's regulations and the Authority's administrative plan were appropriately followed. As a result, the Authority was unable to support \$304,265 in housing assistance payments made, overpaid \$12,012 in housing assistance payments, and underpaid \$11,308 in housing assistance payments.

The Authority Lacked Documentation to Support More Than \$304,000 in Housing Assistance Payments

The Authority lacked documentation to support housing assistance payments totaling \$304,265, for the period January 2003 through December 2005. Of the 76 tenant files statistically selected for review, 35 (46 percent) had the following missing or incomplete documents:

- 16 were missing the original personal declaration,
- 15 housing assistance payment contracts and leases were not signed within 60 days of each other,
- 10 were missing rent reasonableness certifications,
- 10 were missing disclosures of information on lead-based paint,
- 8 were missing HUD Form 52517, Request for Tenancy Approval,
- 7 were missing or had incomplete lease agreements,
- 5 were missing HUD Form 9886, Authorization for the Release of Information and Privacy Act Notice,
- 4 were missing or had incomplete housing assistance payment contracts,
- 4 were missing or had incomplete signed certifications of citizenship,
- 1 was missing photograph identification, and
- 1 was missing proof of Social Security numbers.

The 35 files did not include documentation required by HUD's regulations nor were the files consistent with the Authority's program administrative plan. Fifty-six files contained at least one of the following incorrect calculations: income, housing assistance payments, total tenant payments, utility allowance payments, and/or utility allowances. The Authority failed to conduct timely certifications for 14 tenants for one or more years and one certification was not performed. Only one tenant file reviewed contained evidence that the Authority conducted a criminal records check. Appendix D of this report shows the results of our tenant file reviews.

HUD performed a rental integrity monitoring review in 2002 and a rental integrity monitoring re-review in 2003. The 2002 review identified that the Authority's tenant files contained errors similar to the ones cited in this finding. HUD's 2003 re-review revealed that the Authority's tenant files still included errors. HUD and the Authority have been aware of the tenant file errors since November 2002. As previously discussed, the Authority's maintenance of required documentation in its tenant files is still a problem.

The Authority has failed to correct this issue for more than three years. HUD identified errors with 36 files (65 percent) out of a sample of 55 files in 2002. When HUD reviewed the same files in its rental integrity monitoring re-review of 2003, 18 of the 36 files still contained the errors identified in 2002. Also, HUD observed that other tenant files were missing a number of documents and the files were not in an auditable condition. HUD directed the Authority to review all of its tenant files and reenter the documents into the active tenant files to bring them into compliance.

The Authority Incorrectly Calculated Housing Assistance Payments

The Authority incorrectly calculated housing assistance payments resulting in overpayments of \$12,012 and underpayments of \$11,308 from January 2003 through December 2005. To determine whether the Authority correctly calculated the housing assistance payments, we reviewed annual certifications conducted between January 2003 and December 2005 from 76 program tenant files statistically selected for review. The Authority incorrectly calculated housing assistance payments in 40 of the 76 tenant files (53 percent) for one or more of the annual certifications. The Authority correctly calculated housing assistance payments for 21 tenant files. For the remaining 15 tenant files, the Authority lacked sufficient documentation to support the calculation of the housing assistance payments. The 40 files contained the following errors:

- 37 had annual income calculation errors for one or more years,
- 13 annual income determinations contained missing or incomplete documentation,
- 30 had incorrect utility allowances,
- 56 had total tenant payment calculation errors for one or more years,
- 13 had total tenant payment determinations based on missing or incomplete documentation,
- 11 had utility assistance payments calculation errors for one or more years, and
- 11 utility assistance payment determinations were based on missing documentation.

The errors occurred because the Authority did not use the appropriate annual income figures, program voucher payment standards, and/or utility allowances.

Therefore, overpayments and underpayments of housing assistance occurred. As a result, HUD and the Authority lacked assurance that housing assistance payments were accurate. Appendix E of this report details the housing assistance payment errors that resulted from the Authority's incorrect calculations.

The Authority's Procedures and Controls Had Weaknesses

The weaknesses regarding missing documentation and incorrect calculations occurred because the Authority lacked adequate procedures and controls to ensure that HUD's regulations and the Authority's program administrative plan were appropriately followed. The Authority did not ensure that HUD's regulations and the Authority's administrative plan were fully implemented and tenant certifications and file management procedures were standardized. The Authority's administrative plan also did not address how tenants would be reimbursed when an underpayment of housing assistance payment occurs.

Conclusion

The Authority did not properly use its program funds when it failed to comply with HUD's regulations. In accordance with 24 CFR [*Code of Federal Regulations*] 982.152(d), HUD may reduce or offset any administrative fee to a public housing authority, in the amount determined by HUD, if the public housing authority fails to perform its administrative responsibilities correctly or adequately under the program.

As previously mentioned, the Authority disbursed \$304,265 in housing assistance payments without proper documentation, overpaid \$12,012 in housing assistance payments, and underpaid \$11,308 in housing assistance payments. In addition, the Authority received \$27,805 in program administrative fees related to the unsupported, overpaid, and underpaid housing assistance payments.

Recommendations

We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to

- 2A. Provide supporting documentation or reimburse its program \$332,070 from nonfederal funds (\$304,265 in housing assistance payments and \$27,805 in associated administrative fees) for the unsupported housing assistance payments and associated administrative fees related to the 35 tenants cited in this finding.
- 2B. Implement adequate procedures and controls to ensure all required documentation is maintained in the Authority's current tenant files to

support housing assistance payments and ensure calculations are correct.

- 2C. Reimburse its program \$12,012 for the overpayment of housing assistance payments cited in this finding from nonfederal funds.
- 2D. Reimburse the appropriate tenants \$11,308 for the underpayment of housing assistance payments from program funds.
- 2E. Revise its program administrative plan to address how tenants will be reimbursed when an underpayment of housing assistance occurs.

SCOPE AND METHODOLOGY

To accomplish our objective, we reviewed:

- Applicable laws; regulations; the Authority's program administrative plan effective January 23, 2004; and HUD's program requirements at 24 CFR [*Code of Federal Regulations*] Parts 5, 35, 982, and 984; HUD's Public and Indian Housing Notices 2004-12 and 2005-9; and HUD's Housing Choice Voucher Guidebook 7420.10.
- The Authority's accounting records; annual audited financial statements for 2002, 2003, and 2004; general ledgers; checks; tenant files; computerized databases; policies and procedures; board meeting minutes for 2004 and 2005; organizational chart; and program annual contributions contract.
- HUD's files for the Authority.

We also interviewed the Authority's employees, HUD staff, and program tenants.

We statistically selected 67 of the Authority's program units to inspect using the U.S. Army Audit Agency's Statistical Sampling software from the 3,492 units that were inspected by the Authority from July 1 through November 30, 2005. The 67 units were selected to determine whether the Authority ensured that its program units met HUD's housing quality standards. Our sampling criteria used a 95 percent confidence level, 50 percent estimated error rate, and a precision of plus or minus 10 percent.

Our sampling results determined that 23 of 67 units (34 percent) materially failed to meet HUD's housing quality standards. This was within our 50 percent estimated error rate; thus we did not need to adjust our sample size. Materially failed units were those units in which the identified violation was not cited the last time the Authority conducted its inspection.

The Authority's July through November 2005 housing assistance payment registers showed that the average monthly housing assistance payment was \$529. Using the lower limit of the estimate of the number of units and the average housing assistance payment, we estimated that the Authority will annually spend \$7,535,076 (1,187 units times \$529 average payment times 12 months) for units that are in material noncompliance with HUD's housing quality standards. This estimate is presented solely to demonstrate the annual amount of program funds that could be put to better use on decent, safe, and sanitary housing if the Authority implements our recommendation. While these benefits would recur indefinitely, we were conservative in our approach and only included the initial year in our estimate. We also considered that (1) the Authority did not identify many of the preexisting violations during its most recent inspections, (2) the units would not be scheduled for another inspection for another year under normal circumstances, and (3) it would take the Authority at least a year to complete all inspections under an improved inspection process.

Using our lower precision limit, we projected this error rate to the population of 3,492 units inspected and passed by the Authority over a three month period. We estimated that the Authority spent more than \$7.5 million in housing assistance payments for 1,187 units that materially failed to meet housing quality standards, computed as 1,187 units times the average annual housing assistance payment of \$6,348.

We performed our onsite audit work between October 2005 and April 2006 at the Authority's central office located at 880 East 11th Avenue, Columbus, Ohio. The audit covered the period from January 1, 2004, through September 30, 2005, but was expanded when necessary to include other periods.

We performed our audit in accordance with generally accepted government auditing standards.

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,
- Compliance with applicable laws and regulations, and
- Safeguarding resources.

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 objective:

- Program operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Validity and reliability of data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.
- Safeguarding resources – Policies and procedures that management has implemented to reasonably ensure that resources are safeguarded against waste, loss, and misuse.

We assessed the relevant controls identified above.

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

Significant Weakness

Based on our review, we believe the following item is a significant weakness:

- The Authority lacked sufficient procedures and controls to ensure compliance with HUD's regulations and/or the Authority's program administrative plan regarding unit inspections, tenant files, and housing assistance payments (see findings 1 and 2).

APPENDIXES

Appendix A

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

Recommendation number	Ineligible 1/	Unsupported 2/	Funds to be put to better use 3/
1B	\$44,855		
1C			\$7,535,076
1D	26,448		
2A		<u>\$332,070</u>	
2C	<u>12,012</u>		
2D			<u>11,308</u>
Totals	<u>\$83,315</u>	<u>\$332,070</u>	<u>\$7,546,384</u>

- 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 the 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.
- 3/ “Funds to be put to better use” are estimates of amounts that could be used more efficiently if an Office of Inspector General (OIG) recommendation is implemented. This includes reductions in outlays, deobligation of funds, withdrawal of interest subsidy costs, costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings which are specifically identified. In this instance, if the Authority implements our recommendation, it will cease to incur program costs for units that are not “decent, safe, and sanitary,” and, instead will expend those funds for units that meet HUD’s standards. Once the Authority successfully improves its controls, this will be a recurring benefit. Our estimate reflects only the initial year of these recurring benefits.

Appendix B

AUDITEE COMMENTS AND OIG EVALUATION

Ref to OIG Evaluation

Auditee Comments



June 22, 2006

Mr. Ronald Farrell, Assistant RIGA
Office of Inspector General
U.S. Department of Housing and Urban Development
200 North High Street, Room 334
Columbus, Ohio 43215-2499

Subject: Audit (Draft) of CMHA Housing Choice Voucher Program

Dear Mr. Farrell:

This letter with the enclosed attachments serves as our response to the subject draft audit. Our comments not only pertain to the findings in the report but larger issues and concerns that we face as program administrators. We believe that an audit of this type primarily serves as a teaching tool for identifying problems and finding solutions for these problems.

We appreciate the professionalism of the audit staff. Your audit team was reasonable in their requests for information and mindful of the time that it took us to compile the data and documents. The audit team was considerate of our efforts to maintain operations and attend to audit requests and meetings.

Should you have any questions regarding this matter, please contact either myself or John Hahn, Deputy Executive Director at (614) 421-6400.

Sincerely yours,

Dennis S. Guest
Executive Director

Enclosures

880 East 11th Avenue • Columbus, Ohio 43211 • Ph. (614) 421-6000

Ref to OIG Evaluation

Auditee Comments

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FINDING 1: HOUSING QUALITY STANDARDS WERE NOT ADEQUATELY ENFORCED

Comment 1

CMHA believes this audit finding is misleading and too broad. "Housing Quality Standards were not adequately enforced" is a sweeping statement that indicts the entire CMHA inspection process. "Lacking adequate procedures and controls" is another example of overstating the problem. We would request this finding to be changed to the following: "CMHA should improve its inspection procedures to ensure that all inspections accurately assess the physical condition of Voucher-assisted units".

While there may be weaknesses in some aspects of our inspections system, there are also strengths that this audit fails to enunciate. If the auditors were qualified to point out weaknesses, it would seem reasonable to reference positive items. For example, it should be noted that your housing appraiser said to CMHA staff, "our housing authority has a good housing stock". His statement says volumes about the quality of units that are assisted by CMHA's Voucher Program.

Comment 2

The auditors have personally decided that many of the HQS violations were present in the unit at the time of the last annual inspection and missed by CMHA inspectors. The auditors asked the tenants if the HQS fail items were missed by CMHA inspectors and have relied upon the tenant's statements. For example, a cracked switch plate is an item that can be broken if abused. To ask a tenant if the violation was present at the time of initial inspection literally begs a "yes" answer since the question has been asked by a person of authority and the tenant does not want to admit that a household member broke the switch plate. Placing tenants in the position of self-incrimination is unfair.

Comment 3

Inspections managers met with inspectors about these violations. We count at least 101 violations that CMHA believes were not HQS fail items or not pre-existing. Please see Exhibits A and A-1 for a more detailed response to the alleged HQS violations. We are requesting these items be removed from your audit report. A sample of follow up inspections has also been enclosed to document our efforts to clear the HQS fail items. All remaining inspection reports can be reviewed at CMHA offices.

Comment 4

We disagree with several specific fail items:

Comment 5

- Handrails must be installed on each side of steps is not an HQS requirement. There were 6 instances where the lack of an additional handrail was cited. Handrails are not mentioned in 24CFR 982.401 under acceptability criteria for stairs.
- GFCI receptacles are not required by HUD regulations. Consequently, it is CMHA's contention that a non-functioning GFCI cannot be an HQS violation. However, we have directed staff to test this type of outlet in the future.

Ref to OIG Evaluation

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Comment 6

- Missing light globes is not an HQS fail item. It is a tenant preference and a cosmetic issue. Visible wiring does not constitute an HQS fail item unless the wiring is bare, broken, frayed, or in a location subject to tenant abuse or accident. There are many lighting fixtures that have visible wiring and lacking globes that have been approved by national electrical code authorities for the residential use. There are 18 instances where missing globes are cited. The regulations are too broad to assert that a missing light globe is an HQS violation.

Comment 7

- There were 8 units cited for mold. Since the IG inspections took place in January 2006, there is more than sufficient time for mold to grow since CMHA's last inspection. One IG inspection occurred more than 180 days after the CMHA inspection. See Column F of Exhibit A to compare the time between the CMHA and IG inspections.

Comment 8

- Our analysis of the audit's HQS fail items reduces the number of fails items by 61 percent from 166 to 65. The category of violations listed on page 6 of the report should be revised to reflect our analysis.

Comment 9

- The photographs displayed in the audit report dramatically overstate the issues. It is our opinion that none of these fail items existed at the time of CMHA inspections. We request these photographs be removed from the audit report.

Comment 10

- Since the number of fail items has been reduced by 61 percent, this reduction raises the question of the fairness and accuracy of HUD's HQS rating system. Since one minor fail item can label a unit as "not decent safe and sanitary" by audit standards, this gives an uninformed reader a false impression that most units are substandard and dangerous. This is incorrect.

Comment 11

Finally, with respect to late annual inspections, *24 CFR § 982.405--PHA initial and periodic unit inspection* requires the PHA to inspect the unit "at least annually" during the assisted occupancy. The word "annually" is word that is left open to different interpretation among reasonable people. Nevertheless, the auditors have literally interpreted the term to mean within the one year of the previous inspection even though CMHA management went to excruciating detail to explain CMHA's procedures for conducting tenant reexams and inspections. Reexams and inspections are done simultaneously (see Section XIV of the CMHA Administrative Plan) for several good reasons---customer service to our clients and landlords and for the best use of resources and time. Most housing authorities follow this practice. Most housing authorities start the reexam/inspection activities 120 days in advance of the contract anniversary date because they are required to give an advanced 30-day rent notice to the client. Owners also propose rent increases that usually become effective on the contract anniversary date. The owner is also required to give a 60-day rent increase notice to the tenant and the PHA and the unit must pass inspection. The audit sampled the CMHA annual inspections over the past two years (2004-2005) and found that only 94 inspections out of 17,952 (or 0.5%) were initiated after one year and one month from the previous inspection. That performance would rate a 10, the highest score possible under HUD's Section 8 Management Assessment Program. It is apparent that there appears to be a conflict between process and performance. CMHA consistently maintains that performance is far more important than process.

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Since most of these inspections were on units that have been in contract for several years, it is common to find varying inspection dates from year to year. Inspections may be moved up or set back from year to year due to inspector absences, schedule conflicts, tenant no-shows, or to accommodate tenants. Therefore, it is unreasonable to set up an inspection schedule to meet a moving target. The one date that remains constant in the whole process is the contract anniversary date. This date controls and directs CMHA's procedures and internal controls.

For example, for a contract with an anniversary date of August 1, CMHA sends a combined inspection/annual reexam appointment/inspection letter at one time (April 1) advising the tenant and owner of the reexam and inspection. Management has instructed the inspectors to have their inspections done (with a possible rent increase determination) no later than 45 days (June 15) from the contract anniversary date so the inspection documents can be logged internally and given to caseworkers in order to mail rent determinations to owners and tenants no later than 30 days (no later than July 1) from the anniversary date. New HAP/UAP payments are mailed to the owner on or about August 1. Our process focuses on complying with HUD regulations, software limitations, and providing good customer service.

We respectfully request all comments regarding "late inspections" contained on pages 9 and 10 of the audit report be removed.

With respect to the recommendations listed with this finding:

- 1A. All landlords and tenants of units that have failed the IG's inspection have been notified and provided a copy of the inspection report.
- 1B. The units cited for HQS violations have been either repaired or cancelled. Please note columns I and J in Exhibit A. We have also attached a sample of our inspection records to document the follow up inspections. All documents are on file and available for review at CMHA offices.
- 1C. CMHA does not agree with this recommendation based on our analysis of the HQS fail items.
- 1D. CMHA has materially complied with HUD's requirement that all units must be inspected annually.

FINDING 2: CONTROLS OVER HOUSING ASSISTANCE PAYMENTS WERE INADEQUATE

This finding is appears inappropriate for the types of errors that were found while auditing the tenant files. We suggest the finding be revised to "CMHA Needs to Improve its Record Retention System". Please see Exhibit B--Revised Tenant File Review Results with the accompanying documentation.

Comment 12

Comment 13

Ref to OIG Evaluation

Auditee Comments

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Comment 14

The auditors requested documents that are process driven, not indicators of performance. For example, while current leases and contracts were in files, original leases and contracts dating back several years were archived. Additionally, there were 14 instances where lead-based paint forms were requested for units that were in contract prior to when the form was required. See *PIH Notice # PIH-2000-23 (HA)*, effective June 29, 2000.

Comment 15

The auditors attempt to calculate a dollar value from missing documents from the tenant's file. CMHA objects to a value assigned to a missing document with a conclusion that the payments made on behalf of the tenant are not supportable or ineligible. This has no dollar value. Rather, CMHA recognizes a need for better file retention procedures.

Comment 16

The auditors also state that payments made on behalf of the tenant are ineligible if a contract is signed more than 60 days after the effective date. While we acknowledge that such a rule exists, CMHA contends that enforcement of the rule comes at the expense of the tenant. If CMHA refuses to enter into the contract or revises the HAP contract and lease dates to conform to this rule, the tenant, most likely, would be held liable for the ineligible rent even though the tenant has done nothing wrong. This is blatantly unfair to the tenant. We have offered our records to the auditors to document our efforts to have owners come to our offices to sign housing contracts and submit signed leases. While the intent of the rule is good, the rule makers did not think of the consequences. Nevertheless, we are exploring ways to ensure compliance with this rule without jeopardizing a tenant's housing.

Comment 17

CMHA was informed at the audit exit conference that tenant calculations were essentially a wash. The difference between over and under payments of housing assistance was approximately \$500. CMHA will review underpayment files and with guidance from the HUD Cleveland office, reimburse tenants for any lost subsidy. We believe that some of the rent discrepancies are due to incorrect interpretation of CMHA policies for the phase-in of new utility allowances and subsidy standards for tenant re-examinations and new voucher issues. Our Board of Commissioners approved resolutions for the phase-in of these allowances and subsidy standards.

Comment 18

With respect to the recommendations listed with this finding:

- 2A. It is CMHA's understanding that this dollar amount will be revised downward.
- 2B. CMHA will implement this recommendation.
- 2C. CMHA will consult with the Cleveland HUD office to resolve this matter.
- 2D. CMHA will consult with the Cleveland HUD office to resolve this matter.
- 2E. CMHA agrees with this recommendation and will revise its administrative plan accordingly.

Ref to OIG Evaluation

Auditee Comments

Comment 19

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SIGNIFICANT WEAKNESSES OF CONTROLS AND PROCEDURES

The audit report indicates, "If management controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations will meet an organization's objectives", a significant weakness exists. Auditors then affirm that CMHA lacks sufficient controls and procedures.

CMHA respectfully disagrees with this analysis. The completion of 99.5% of annual inspections in the proper time frame; strong financial controls (not criticized in the audit report); provision of pertinent eligibility documentation lacking only in the area of long past historical information; plus honest disagreement over the quality of inspections do **not** indicate a lack of sufficient procedures and controls. Rather CMHA believes it has demonstrated reasonable planning, organizing, directing, and controlled processes.

OIG Evaluation of Auditee Comments

- Comment 1** We revised the title of finding 1 in this report.
- Comment 2** We agree the auditor that accompanied the appraiser during the housing quality standards inspections did interview tenants in an effort to determine when a specific housing quality standards violation occurred. However, the appraiser made the determination that 34 of the 47 units had 164 violations that existed before the Authority's previous inspections based upon the condition of the violations. The inspection reports provided to the Authority do not contain any reference to whether violations were caused by a tenant or a lack of maintenance.
- Comment 3** We identified and removed seven violations from this report. This adjustment did not affect the number of failed units identified by our appraiser or the number of units that materially failed inspection. The seven violations removed were: asbestos for unit number 141713 and missing globes at unit numbers 4116, 100151, 116755, 122991, 134246, and 159750.
- Comment 4** Page 10-10 of HUD's Housing Choice Voucher Guidebook states that handrails are required when four or more steps are present, and protective railings are required when porches, balconies, and stoops are 30 inches or more off the ground.
- Comment 5** According to HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.401(f), electrical outlets need to be in proper operating condition. A non-functioning ground fault circuit interrupter is not in proper operating condition. We believe that the Authority's direction to staff to test this type of outlet in the future is an indication of the importance to ensure that all electrical outlets are in proper operating condition.
- Comment 6** As previously stated in Comment 3, we adjusted the number of violations for missing globes by six. The remaining 12 instances of missing globes included exposed, uninsulated, or frayed wires which pose electrical hazards.
- Comment 7** Page 10-10 of HUD's Housing Choice Voucher Guidebook states the dwelling unit must be free from dangerous air pollutant levels from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants. Mold was determined to be a harmful pollutant.
- Comment 8** The adjustments described in Comment 3 resulted in a reduction of two violations (1.2 percent) that existed at the time of the Authority's previous inspections and a total of five violations (3.4 percent) that could not be determined whether the violations existed at the time of the Authority's latest inspections and were not identified on the Authority's inspection reports.

- Comment 9** We disagree that our photographs dramatically overstate the issues and that the violations did not exist at the time of the Authority's latest inspections. The condition of the violations clearly shows that they existed at the time of the Authority's previous inspections.
- Comment 10** We tried our best to be clear in stating minor violations and units that were in material noncompliance. The fact remains that HUD's regulations are clear and we used those as a basis for reporting while being as clear as possible in what the regulations mean. The number of violations was reduced by 1.2 percent for violations that existed at the time of the Authority's previous inspections and 3.4 percent for violations that could not be determined whether the violations existed at the time of the Authority's previous inspections and were not identified on its inspection reports. We disagree that this reduction raises any question of the fairness and accuracy of HUD's housing quality standards.
- Comment 11** The Authority did not recognize that annual inspections are to be conducted within one year of the previous inspections. The requirement to perform housing quality standard inspections annually is nationally accepted as a specific one year period.
- Comment 12** The recommendations in this report were adjusted to reflect the Authority's comments and documentation. We were able to remove the following 10 tenants from finding 1: 119088, 137050, 141193, 148879, 151040, 151219, 152341, 154478, 161685, and 165481.
- Comment 13** We disagree with the Authority. The finding addresses both required documentation to issue housing assistance payments and the calculations setting the amount of housing assistance payments. The Authority's procedures and controls in these areas were inadequate.
- Comment 14** We requested information pertinent to the scope of our audit and in accordance with HUD's requirements for tenant files. Lead based paint certifications have been a requirement since HUD issued Public Housing Notice 96-92 on December 11, 1996.
- Comment 15** The Authority is required to maintain complete and accurate accounts and other records for the program during the term of each assisted lease and for at least three years thereafter in accordance with HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.158(a). Since the Authority could not provide the required documentation, it could not demonstrate that program funds essentially served their purpose by purchasing shelter for an eligible family.
- Comment 16** Perhaps the Authority should consider a more rigid policy with regards to providing housing assistance payments to owners that have not signed the housing assistance contract. A policy where no payments are provided without a signed

contract may be an incentive for an owner to comply with the applicable program requirements.

Comment 17 The Authority is correct that a statement was made during the exit conference that the monetary amounts for overpayments and underpayments essentially cancelled the monetary effect to the Authority. However, there is a monetary effect to the tenants that received underpayments of housing assistance, as well as to the owners that received the overpayments of housing assistance.

Comment 18 Recommendation 2A was revised based upon additional documentation provided by the Authority.

Comment 19 The Authority failed to provide adequate documentation to ensure sufficient procedures and controls are in place ensuring compliance with HUD's regulations and/or the Authority's program administrative plan regarding unit inspections, tenant files, and housing assistance payments. The Authority's comments reduced the number of housing quality standard violations by seven and verified that the Authority does not attempt to perform annual inspections within one year of the previous inspections as required. As previously mentioned, the Authority's maintenance of required documentation in its tenant files has been and still is an area of concern. Also, the Authority failed to correctly calculate housing assistance payments for 40 (53 percent) of the 76 tenant files reviewed, this equates to more than 5,000 households with housing assistance calculations incorrectly performed. Therefore, the Authority does have significant weaknesses in its procedures and controls.

Appendix C

CRITERIA

Finding 1

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.152(d) states that HUD may reduce or offset any administrative fee to a public housing authority, in the amount determined by HUD, if the authority fails to perform its administrative responsibilities correctly or adequately under the program, such as not enforcing HUD's housing quality standards.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.305(a) state that the public housing authority may not give approval for the family of the assisted tenancy or execute a housing assistance contract until the authority has determined that all the following meet program requirements: (1) the unit is eligible, and (2) the unit has been inspected by the authority and passes HUD's housing quality standards.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.401 require that all program housing must meet HUD's housing quality standards performance requirements both at commencement of assisted occupancy and throughout the tenancy.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.404 require owners of program units to maintain the units in accordance with HUD's housing quality standards. If the owner fails to maintain the dwelling unit in accordance with HUD's housing quality standards, the authority must take prompt and vigorous action to enforce the owner's obligations. The authority's remedies for such breach of the housing quality standards include termination, suspension, or reduction of housing assistance payments and termination of the housing assistance payment contract. The authority must not make any housing assistance payments for a dwelling unit that fails to meet the housing quality standards unless the owner corrects the defect within the period specified by the authority and the authority verifies the correction. If a defect is life threatening, the owner must correct the defect within 24 hours. For other defects, the owner must correct them within 30 calendar days.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.405(a) require public housing authorities to perform unit inspections before the initial move-in and at least annually. The authority must inspect the unit leased to a family before the term of the lease, at least annually during assisted occupancy, and at other times as needed to determine whether the unit meets housing quality standards.

Finding 2

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 5.230(a) require each member of the family of an assistance applicant or participant who is at least 18 years of age and each family head and spouse regardless of age to sign one or more consent forms.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 5.901(a) include requirements that apply to criminal conviction background checks by public housing authorities that administer Section 8 and public housing programs when they obtain criminal conviction records, under the authority of section 6(q) of the 1937 Act (*United States Code* 42.1437d(q)), from a law enforcement agency to prevent admission of criminals to public housing and Section 8 housing and to assist in lease enforcement and eviction.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.5(B)(4) state that if the payment standard amount is increased during the term of the contract, the increased payment standard amount shall be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard amount.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.153 state that the public housing authority must comply with the consolidated annual contributions contract, the application, HUD regulations and other requirements, and its program administrative plan.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.158(a) state that the public housing authority must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements in a manner that permits a speedy and effective audit. The authority must prepare a unit inspection report. During the term of each assisted lease and for at least three years thereafter, the authority must keep (1) a copy of the executed lease, (2) the housing assistance payment contract, and (3) the application from the family. The authority must keep the following records for at least three years: records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants; unit inspection reports; lead-based paint records as required by part 35, subpart B of this title; records to document the basis for authority determination that rent to owner is a reasonable rent (initially and during the term of a contract); and other records specified by HUD.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.305(c) outline when the housing assistance payment contract is executed. This includes that the public housing authority must use best efforts to execute the contract before the beginning of the lease term. The contract must be executed no later than 60 calendar days from the beginning of the lease term. The public housing authority may not pay any housing assistance payment to the owner until the contract has been executed. If the contract is executed during the period of 60 calendar days from the beginning of the lease term, the authority will pay housing assistance payments after execution of the contract (in accordance with the terms of the contract) to cover the portion of the lease term before execution of the contract (a maximum of 60 days). Any contract executed after the 60-day period is void, and the authority may not pay any housing assistance payment to the owner.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 5.508(a) state that eligibility for assistance or continued assistance under a Section 214-covered program is contingent upon a family's submission to the responsible entity of the documents described in paragraph (b) of this section for each family member. If one or more family members do not have citizenship or eligible immigration status, the family members may exercise the election not to contend to have

eligible immigration status as provided in paragraph (e) of this section, and the provisions of 5.516 and 5.518 shall apply. (b) Each family member, regardless of age, must submit the following evidence to the responsible entity:

(1) For U.S. citizens or U.S. nationals, the evidence consists of a signed declaration of U.S. citizenship or U.S. nationality. The responsible entity may request verification of the declaration by requiring presentation of a United States passport or other appropriate documentation, as specified in HUD guidance.

(2) For noncitizens who are 62 years of age or older or who will be 62 years of age or older and receiving assistance under a Section 214-covered program on September 30, 1996, or applying for assistance on or after that date, the evidence consists of a signed declaration of eligible immigration status and proof of age document.

(3) For all other noncitizens, the evidence consists of a signed declaration of eligible immigration status, one of the documents referred to in 5.510, and a signed verification consent form.

(c) Declaration: (1) For each family member who contends that he or she is a U.S. citizen or a noncitizen with eligible immigration status, the family must submit to the responsible entity a written declaration, signed under penalty of perjury, by which the family member declares whether he or she is a U.S. citizen or a noncitizen with eligible immigration status. For each adult, the declaration must be signed by the adult. For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child. For Housing covered programs, the written declaration may be incorporated as part of the application for housing assistance or may constitute a separate document.

HUD's regulations at 24 CFR [*Code of Federal Regulations*] 982.516(a)(1) require the authority to conduct a reexamination of family income and composition at least annually. The authority must obtain and document in the tenant file third party verification of the following factors or must document in the tenant file why third party verification was not available: (i) reported family annual income, (ii) the value of assets, (iii) expenses related to deductions from annual income, and (iv) other factors that affect the determination of adjusted income. At any time, the authority may conduct an interim reexamination of family income and composition. Interim examinations must be conducted in accordance with policies in the authority's administrative plan. As a condition of admission to or continued assistance under the program, the authority shall require the family head and such other family members as the authority designates, to execute a HUD-approved release and consent form (including any release and consent as required under 5.230 of this title) authorizing any depository or private source of income or any federal, state or local agency to furnish or release to the authority or HUD such information as the public housing authority or HUD determines to be necessary. The authority and HUD must limit the use or disclosure of information obtained from a family or from another source pursuant to this release and consent to purposes directly in connection with administration of the program.

Appendix D

RESULTS OF TENANT FILE REVIEWS

Tenant number	Social Security number	Drivers license/ photograph identification	HUD Form 9886 Authorization for the Release of Information and Privacy Act Notice	Certification claiming to be United States citizen, Form 214	Lease present and signed	Housing assistance payment contract present and signed	Housing assistance and lease signed within 60 days of each other.	Original personal declaration	Request for tenancy approval, HUD Form 52517	Lead base paint form signed	Rent reasonableness certificate	Housing assistance payments not supported
146667										X		\$11,509
140273			X					X				12,408
140840	<u>X</u>	<u>X</u>	X	X	X	X		X				10,105
111392							X					8,829
129446							X					4,207
161597				X								10,393
142935								X	X	X	X	10,585
143430							X					2,562
149893								X				10,582
135113							X			X		7,549
128084								X				5,440
131060				X					X	X	X	6,666
154076					X,X		X		X	X	X	5,755
182312							X					1,700
157890							X					1,989
117807								X				15,552
130057				<u>X</u>				X				16,428
137083					X	X	X		X	X	X	1,695
121634							X	X				17,323
159348							X	X				2,219
143634											X	8,022
110744							X	X				17,226
131308			X					X	X	X	X	13,938
180995											X	4,310
138707			X		<u>X,X,X</u>	<u>X</u>		X	X	X	X	5,806
142650			<u>X</u>									2,631
104830								X				15,571
148116								X				12,246
156755							X					2,768
122543							X					7,954
152379							X					1,212
120615								X	X	X	X	12,198
162369							<u>X</u>					10,832
127565								X				18,729
141741								<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>7,326</u>
Totals	<u>1</u>	<u>1</u>	<u>5</u>	<u>4</u>	<u>7</u>	<u>4</u>	<u>15</u>	<u>16</u>	<u>8</u>	<u>10</u>	<u>10</u>	<u>\$304,265</u>

Note: An “X” identifies the items that are missing from the tenant’s file. More than one “X” represents information missing in multiple years.

Appendix E

HOUSING ASSISTANCE PAYMENT ERRORS

Tenant number	Total 2003 housing assistance payments overpayment/ (underpayment)	Total 2004 housing assistance payments overpayment/ (underpayment)	Total 2005 housing assistance payments overpayment/ (underpayment)	Total interim housing assistance payments overpayment/ (underpayment)
111958	\$0	\$0	(\$57)	\$0
146667	(\$100)	\$0	\$0	\$0
183226	\$0	(\$684)	\$0	\$0
140273	\$0	(\$12)	(\$6)	\$0
111392	(\$228)	\$0	\$42	\$0
163694	\$0	\$0	\$0	(\$693)
136035	(\$276)	\$0	\$95	\$0
143430	\$0	(\$231)	(\$261)	\$0
140849	N/A	(\$77)	(\$21)	\$0
149893	(\$288)	\$0	\$0	\$552
168563	\$0	\$528	(\$282)	\$0
135113	\$0	\$12	\$0	\$0
162642	\$156	\$240	\$54	\$0
128084	(\$414)	\$0	N/A	\$0
165481	(\$300)	\$0	\$0	\$0
131060	\$1,120	\$0	\$0	\$2,007
182312	\$0	\$0	\$45	\$0
180466	\$0	\$0	\$0	(\$258)
157890	\$0	(\$650)	\$0	\$0
119088	\$1,212	\$0	\$0	\$0
130057	\$0	\$0	(\$100)	\$0
137083	\$0	(\$1,800)	\$0	\$0
121634	\$0	\$320	\$0	\$144
159348	\$0	\$0	\$252	\$0
141193	\$0	(\$140)	(\$1,458)	\$0
146069	\$0	\$372	\$0	\$0
110744	\$0	\$300	\$1,440	\$0
131308	\$0	\$0	\$138	\$0
181002	\$0	\$0	\$120	\$0
171935	\$0	\$0	\$51	\$0
155687	\$0	\$0	(\$32)	\$0
181255	\$0	(\$162)	\$0	\$136
147742	(\$238)	\$0	\$0	(\$238)

HOUSING ASSISTANCE PAYMENT ERRORS (CONTINUED)

Tenant number	Total 2003 housing assistance payments overpayment/ (underpayment)	Total 2004 housing assistance payments overpayment/ (underpayment)	Total 2005 housing assistance payments overpayment/ (underpayment)	Total interim housing assistance payments overpayment/ (underpayment)
122543	\$144	\$0	(\$720)	\$0
169379	\$0	\$2,532	\$0	\$0
151219	\$0	(\$770)	\$0	\$0
154478	\$0	\$0	\$0	(\$140)
127565	\$0	\$0	(\$144)	\$0
181536	N/A	(\$168)	\$0	
165180	N/A	(\$360)		
Total Overpayment	<u>\$2,632</u>	<u>\$4,304</u>	<u>\$2,237</u>	<u>\$2,839</u>
Total Underpayment	<u>(\$1,844)</u>	<u>(\$5,054)</u>	<u>(\$3,081)</u>	<u>(\$1,329)</u>
Total housing assistance payments overpaid				<u>\$12,012</u>
Total housing assistance payments underpaid				<u>\$11,308</u>