



U. S. Department of Housing and Urban Development

Washington, D.C. 20410-4500

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Audit Memorandum

98-SE-207-1004

MEMORANDUM FOR: Robert Kroll, Acting Director, Northwest Office of Native American Programs, OAPI

FROM: Darrel M. Vaught, Acting District Inspector General for Audit, OAGA

SUBJECT: Yakama Nation Housing Authority
Review of Certain Complaints
Wapato, Washington

We conducted a review to determine the validity of allegations that we received from several sources concerning the management of the Yakama Nation Housing Authority (Housing Authority). The allegations covered various management areas such as tenant admissions and charges, maintenance, contracting, modernization, and executive director compensation. In all we identified 12 individual complaints for review. (See Attachment I.) Those complaints and what we found concerning each of them are discussed in the Results of Review section of this memorandum. Of the 12 complaints, we concluded that six were valid, at least in part, and that this was indicative of some broader management problems at the Housing Authority. We have made various recommendations to correct these problems in the Recommendations section of this memorandum.

The Executive Director of the Housing Authority, in response to our draft memorandum, generally agreed with the results of our review and noted that the Housing Authority has implemented or is in the process of implementing corrective action. We are recommending that you ensure that the Housing Authority has implemented corrective action on all of our recommendations before approving its next operating plan under the Native American Housing and Self-Determination Act of 1996 (NAHASDA).

In conducting our review, we:

- Reviewed applicable laws and regulations to gain an understanding of program requirements;
- Reviewed Housing Authority documents, including work order requests, general ledger accounts, vendor invoices, and tenant files, to determine whether complaints about occupancy, maintenance, and contracting were valid;
- Performed limited inspections of a sample of units at the Apas Goudy project to determine the validity of complaints about health and safety issues;

- Interviewed the Housing Authority's Executive Director, Development and Modernization Coordinator, Housing Manager, occupancy and accounting staff, homebuyers and tenants, the Acting Director of the Tribal Employment Rights Office (TERO), and certain complainants. We performed interviews to identify any background information and documentary evidence that would help us determine the validity of the complaints.

Our review was performed from August through November 1997.

If you have any questions, please contact Robert Woodard or Wayne Rivers at (206) 220-5360.

Attachments:

Attachment I List of Complaints
Attachment II Results of Review
Attachment III Auditee Comments
Attachment IV Distribution

List of Complaints

Complaint	Valid?
1. The Housing Manager Used Favoritism In Admissions	Partially
2. The Housing Manager Gave Units To Ineligible Tenants	No
3. Tenants And Homebuyers Are Being Inappropriately Charged For Garbage Fees	No
4. Gas Furnaces At The Apas Goudy Project Are Unsafe	Yes
5. The Housing Authority Does Not Provide Adequate Response To Call Devices At Wanity Park	Yes
6. A Tenant Was Overcharged For Inadequate Work	No
7. Maintenance Services Were Untimely	Yes
8. The Housing Authority Did Not Use Indian Contractors	No
9. Hillaire Construction Was Given Preferential Treatment	No
10. Resources Were Wasted On The Housing Authority Office Addition	Partially
11. The Housing Authority Gave Preferential Treatment In The Rehabilitation Of Individual Units	Partially
12. The Executive Director Is Overpaid	No

Results of Review

COMPLAINT #1: THE HOUSING MANAGER USED FAVORITISM IN ADMISSIONS

Complainants told us that the Housing Authority's Housing Manager used favoritism to award units at Wanity Park, a low-rent elderly project. To determine whether the Housing Manager gave preferential treatment in awarding units, we reviewed Housing Authority files for seven tenants who were identified by complainants and admitted to units since 1990. We also interviewed three of these tenants. For the purposes of our review, we defined "favoritism" as admitting tenants without following proper procedures.

We found that the Housing Authority did not maintain adequate documentation to show how these seven tenants were admitted. The Housing Manager told us that the Housing Authority only keeps waiting lists for about three months, and we confirmed that the oldest waiting list available for Wanity Park was dated June 1997 (about two months before we conducted our review). All seven of the tenants occupied their units prior to that date. We, therefore, used alternate procedures to determine whether tenants in our sample were awarded units in compliance with program requirements and Housing Authority policy. These procedures included interviewing tenants and Housing Authority staff, and reviewing tenant files to determine eligibility for preference points at the time tenants were admitted.

Using these alternate procedures, we determined that the Housing Authority did not follow established policies and procedures when admitting two of the seven tenants. In one case, we found that a person applied for admission to the program, according to her tenant file, about six years before being admitted. This tenant told us that she was homeless and 59 years old at the time of her admission. In addition, her paycheck stub showed that she had wages of about \$10 per hour when admitted. On the basis of this profile, we determined that the tenant would have been given at least three preference points on the waiting list. However, our review showed that another elderly family who had been on the waiting list longer had the same number of preference points. As a result, we concluded that the above tenant was given preferential treatment in admitting her to a unit.

In another case, we found that the Housing Manager did not provide adequate justification for admitting a tenant. An elderly applicant was admitted to enable her to obtain better healthcare coverage on the Reservation. This was not an adequate reason for granting her admission over other applicants, under either 24 CFR 950 or the Housing Authority's Admissions Policy.

The remaining five tenants in our sample were properly admitted. In two cases we found that tenants would have been admitted based on preference points. Another two tenants had already been admitted to the program and were transferred to Wanity Park from another project. In the other case, the tenant was admitted to the unit as a live-in aide and allowed to occupy the unit as the remaining member of the tenant's family.

During the course of our review, the Housing Manager told us that she has admitted over-income families if there is a medical need or the family is without housing. This practice is contrary to 24 CFR 950.301 (b)(1) which requires the Housing Authority's rental tenants to be low-income when admitted.

COMPLAINT #2: THE HOUSING MANAGER GAVE UNITS TO INELIGIBLE TENANTS

For the following three cases, complainants alleged that the Housing Manager admitted ineligible tenants into rental units. As stated above, the Housing Authority did not maintain adequate documentation for admissions. However, the reasons for ineligibility given by complainants were not valid.

Complainants told us that the Housing Manager gave units in Wanity Park to families who were ineligible because they already owned a home. To determine whether this complaint was valid, we reviewed HUD regulations at 24 CFR 950.301 and following, which contain the requirements for housing authority admission policies and federal preferences. We found that the low-rent program does not exclude homeowners from admission eligibility under the program.

Complainants told us that Housing Authority staff gave units in a family project to families without children. To determine whether this complaint was valid, we reviewed the definition of a “family” in 24 CFR 950.102. We found that the definition includes single persons, and program rules do not require families to have children before being admitted to a low-rent project.

Complainants told us that a tenant, who had come to Wanity Park to care for an elderly parent, should not have been allowed to remain in the low-rent unit after the parent died. To determine whether the complaint was valid, we reviewed 24 CFR 950.102 provisions for “the remaining member of a tenant family.” We found that the Housing Authority complied with HUD requirements in allowing the tenant to stay in the unit.

Although these complaints were not substantiated, in the course of our review the Housing Authority’s Housing Manager told us that the Housing Authority admits applicants who are at least 55 but less than 62 years old into elderly projects. This practice violates the Housing Authority’s own written policy and HUD regulations, both of which define “elderly” as 62 years old.

COMPLAINT #3: TENANTS AND HOMEBUYERS ARE BEING INAPPROPRIATELY CHARGED FOR GARBAGE FEES

A complainant told us that the Housing Authority is wrongly billing some program participants for garbage pickup. We found that the Housing Authority was acting within its authority when charging for garbage pickup in its low-rent and Mutual Help units. HUD regulations at 24 CFR 950.872(b) state that for dwelling units served by IHA-furnished utilities, the IHA shall establish schedules of surcharges indicating additional dollar amounts that residents will be required to pay. Our review of tenant ledger reports showed that low-rent tenants were not billed for garbage except for excess garbage collected by the contractor. We also found that the Dwelling Lease Agreement includes a provision for charging excess garbage costs to the low-rent tenants.

For Mutual Help homebuyers, we found that the Mutual Help Occupancy Agreement (MHOA) states that the cost of furnishing utilities is the responsibility of the homebuyer and that the IHA shall have no obligation for utilities. However, if the IHA determines that: 1) the homebuyer is unable to pay for utilities, and 2) this inability creates conditions that are hazardous to life,

health or safety of the occupants, then the IHA may pay for the utilities on behalf of the homebuyer and charge the homebuyer's accounts for the costs (MHOA, Article VIII).

The Housing Manager told us that the Housing Authority started charging homebuyers for garbage pickup in June 1996. Charges were increased in April 1997 when the vendor increased its rates. Our review of Housing Authority ledgers and vendor billings showed that the Housing Authority properly charged the homebuyers' accounts for garbage pickup and paid the proper amount of garbage fees to the vendor.

COMPLAINT #4: GAS FURNACES AT THE APAS GOUDY PROJECT ARE UNSAFE

A complainant told us that gas furnaces at the Apas Goudy project were a health and fire hazard. To determine whether the furnaces were a health hazard, we performed a visual inspection of 13 furnaces at the Apas Goudy project, and interviewed the Housing Authority's Maintenance Supervisor, and Modernization Coordinator, as well as a local furnace dealer. We also reviewed the Housing Authority's correspondence from a natural gas company and the modernization budget for furnace replacement. Although our visual inspection indicated that all furnaces were serviceable, we concluded that the furnaces were a health hazard, the extent of which was unknown. Our conclusion was based on the following:

- The Maintenance Supervisor had concerns that the furnaces are a health hazard. From 1995 to 1997, this supervisor sent letters to the Development/Modernization Coordinator and Executive Director of the Housing Authority stating that the heat exchangers in some furnaces in the Apas Goudy project were going bad; there was evidence of gas leaks in one unit; and the furnaces needed to be replaced due to their age.
- A local natural gas company also expressed concerns about the existing equipment. In a letter dated August 1997, an engineer from a local natural gas company raised concerns that the equipment in many of the housing units may need repair or replacement.

COMPLAINT #5: THE HOUSING AUTHORITY DOES NOT PROVIDE ADEQUATE RESPONSE TO CALL DEVICES AT WANITY PARK

Complainants told us that Housing Authority staff have not adequately responded to call devices in some elderly units at the Wanity Park project. To determine whether the complaint was valid, we interviewed the Housing Manager and staff at the Housing Authority's other elderly project, Foster Center. We also visited Wanity Park, spoke with a tenant, and determined the office hours at the project.

At Foster Center, staff told us that someone is onsite 24 hours a day and this was confirmed by the Housing manager. At Wanity Park, on the other hand, a tenant told us that the Housing Authority staffperson in charge was working only half time because of health problems, and the office hours were 7:00 to 4:30 weekdays. The Housing Manager also told us that the community center is staffed during normal business hours, five days a week. We concluded that the complaint had merit: staff are not on duty 24 hours per day at Wanity Park to respond to emergency pull cords.

COMPLAINT #6: A TENANT WAS OVERCHARGED FOR INADEQUATE WORK

A complainant told us that a low-rent tenant had been charged for each of five maintenance service trips to repair an appliance. According to the complainant, the tenant should not have been charged for subsequent service calls because maintenance workers did not properly repair the appliance on the initial visit. To determine whether the complaint was valid, we reviewed both the Accounts Receivable History Ledger and work orders for this unit. We found that maintenance staff repaired the appliance on the first visit, did not revisit the unit, and did not charge the tenant more than once. We concluded, therefore, that the complaint was not valid.

COMPLAINT #7: MAINTENANCE SERVICES WERE UNTIMELY

Complainants told us that the Housing Authority did not always provide maintenance services in a timely manner. To determine whether this complaint was valid, we reviewed the Housing Authority's Maintenance Policy and found that all work orders should be processed under a priority system giving the Housing Authority a maximum of one week to provide maintenance services after a tenant has called. (The Housing Authority's Maintenance Policy provides lower priorities for vacant units and preventative maintenance.)

We judgmentally selected and reviewed eight work order requests for five tenants. We found that the Housing Authority did not provide maintenance services in a timely manner on four requests. These four work orders were completed 16, 22, 41 and 44 days after the time the tenant initially called. For one request, documentation was not adequate for us to determine when repairs, if any, were completed. For the remaining three work order requests, maintenance services were provided within a week of the tenant's initial call.

According to the Maintenance Supervisor, maintenance work was sometimes performed late because the Housing Authority has not established an adequate system to ensure that work order requests are processed in a timely manner. In addition, non-emergency work orders may be delayed if a tenant is found to be delinquent or was not recertified. We concluded, therefore, that this complaint was valid.

According to the Modernization Coordinator, desk to desk routing of work orders sometimes slows down the approval and distribution process. The Administrative Assistant told us that work orders are not always routed to her for proper close out in the computer system. As a result, tenant units may not always be maintained in a decent, safe and sanitary condition.

During the course of our review, we also noted that the Housing Authority sometimes charges rental housing residents a flat fee for service calls, even for routine maintenance. This practice does not comply with the Housing Authority's own Maintenance Policy, which clearly states that all maintenance work resulting from normal wear and tear shall be completed at the Housing Authority's expense. In addition, we found that the fees charged for maintenance were not consistent with the Housing Authority's own policy. We reviewed two tenant files and found that the Housing Authority charged \$25 per hour of labor when providing maintenance services to tenants, but the Housing Authority's Schedule of Maintenance Charges specifies a \$10 per labor hour charge.

We discussed these matters with the Executive Director who said that Housing Authority staff continue to charge tenants \$25 per labor hour for maintenance services. He also said that there was no Board Resolution increasing the labor charge from \$10 to \$25 per labor hour.

COMPLAINT #8: THE HOUSING AUTHORITY DID NOT USE INDIAN CONTRACTORS

A complainant told us that there is no local bid notification or advertising for Housing Authority bid projects, and many qualified Indian contractors who do business within the Yakama Reservation have submitted bids for Housing Authority projects, but the contractors are never considered or awarded Housing Authority projects.

To determine whether the Housing Authority considered and awarded contracts to Indian-owned enterprises, we interviewed the Modernization Coordinator who described the procurement process. The Coordinator provided a list of vendors used by the Housing Authority, summaries of modernization work done from 1995 to 1997, a list of Indian-owned enterprises, and a list of those Indian firms that were awarded contracts (on this list, he identified six Indian-owned enterprises, four of which were local). In addition, we obtained requisitions and Requests for Quotes for modernization procurements for 1995 - 1997. We also obtained a list of Indian-owned enterprises from the Tribal Employment Rights Office (TERO) to further identify local Indian-owned enterprises. Finally, we selected a judgmental sample of six procurements to review.

For the sample of six procurements, we found that Indian-owned enterprises were winning bidders in two cases, and Indian-owned enterprises submitted bids for three of the six projects. Of the four local Indian-owned enterprises listed by the Coordinator, he identified two which had been awarded contracts during the period 1995 - 1997. We reviewed the bid documents and notification documents supporting these awards and found that procurements followed prescribed procedures.

Our review showed that in the past three years (1995 - 1997) the Housing Authority awarded contracts to at least five of the ten Indian-owned enterprises identified by both the Housing Authority and TERO. This shows that at least 50 percent of the identified Indian-owned enterprises recently doing business on the Yakama Reservation have been notified of work and awarded contracts by the Housing Authority.

We also interviewed the owners of one Indian-owned construction company: TeePee Construction. They told us that they were notified of at least five Housing Authority projects from 1995 to 1997. Four of the five notifications were in writing, and the other was a verbal notification by the Housing Authority Modernization Coordinator. TeePee Construction submitted bids on three of the five Housing Authority projects and had not been awarded any procurements at the time of our review. However, one of the three bids was submitted on the day of our interview, and the award had not yet occurred.

COMPLAINT #9: HILLAIRE CONSTRUCTION WAS GIVEN PREFERENTIAL TREATMENT

Complainants told us that the Housing Authority used a contractor, Hillaire Construction, to do business with the Housing Authority, and this contractor had been previously barred from contracting on the Yakama Indian Reservation. The complainant stated that the current Modernization Coordinator showed favoritism in continuing to use Hillaire.

To resolve this complaint we interviewed the Acting Director of TERO and the Modernization Coordinator, and reviewed contract and bid documents for procurements awarded to Hillaire.

The Acting Director of TERO told us that Hillaire Construction was not debarred from doing business on the Yakama Reservation, although a complaint was pending at the time the firm stopped doing business with the Housing Authority. Contracts and bid documents showed that three contracts to Hillaire were awarded in accordance with Housing Authority policy and HUD rules. Hillaire submitted a combined sealed bid for work under five modernization projects, and was awarded contracts on three of the five projects. On all three projects, bid documents showed that Hillaire was the lowest bidder. For a subsequent procurement of roofing materials, the Housing Authority obtained three bids and awarded the contract properly to Hillaire.

Based on the documents we reviewed, we concluded that the Housing Authority followed proper procedures in awarding contracts to Hillaire Construction.

COMPLAINT #10: RESOURCES WERE WASTED ON THE HOUSING AUTHORITY OFFICE ADDITION

A complainant told us that Comprehensive Grant funds were not used efficiently for building the Housing Authority office addition. We were told that the office addition is going to cost \$120,000 to \$130,000 for construction, cost overruns have added an additional \$90,000, and the work is not finished yet.

To identify costs associated with the office addition, we obtained HUD's drawdown files for three Comprehensive Grants and the Housing Authority's Accounts Payable listings pertaining to the office addition from the Modernization Bookkeeper. We also interviewed the Modernization Coordinator and Construction Inspector to determine the current status of the addition and to identify reasons for cost overruns.

We found that actual costs for the office addition totaled \$305,230 (\$150,359 for materials and contract services; \$154,871 for force account wages and benefits). Funds for the addition came from three Comprehensive Grants, and actual costs exceeded the budget of \$254,820 by \$50,410 or 20 percent. We concluded, therefore, that the complaint was partially valid.

The Modernization Coordinator and Construction Inspector told us that the office addition is substantially complete, and the Modernization Coordinator said that cost overruns resulted primarily from the use of relatively unskilled force account labor.

We noted that the Housing Authority could increase its efficiency by hiring more skilled workers. However, we also recognize that the Housing Authority must operate within the constraints established by the Tribe and Board of Commissioners, who have expressly directed the Housing Authority to use force account labor.

COMPLAINT #11: THE HOUSING AUTHORITY GAVE PREFERENTIAL TREATMENT IN THE REHABILITATION OF INDIVIDUAL UNITS

A complainant told us that the Housing Authority gave preferential treatment to five homebuyers who had their homes remodeled with Comprehensive Grant funds and received excessive amounts of rehabilitation funding (exceeding a “remodeling cost limit” of about \$27,000 per unit).

To determine whether this complaint was valid, we reviewed three project registers for units listed in the complaint, and interviewed the Comprehensive Grant Assistant who tracks per unit costs. We also interviewed five Mutual Help homebuyers to determine what modernization work was done on their units.

We found that only four of the five units listed in the complaint had been remodeled. All four of these units were in Project 22-10. The Comprehensive Grant Assistant told us that she uses a project register to keep track of costs expended for units under renovation, including labor hours and materials used. She computes the budgeted unit cost of a project by taking the total approved budget and dividing it by the number of eligible units. In this way, she determined that the unit cost under Project 22-10 is approximately \$28,600.

We found that the Housing Authority exceeded the average per unit cost of \$28,600 for one of the four units reviewed. For this unit, actual costs exceeded the average cost by \$32,290 (total costs for remodeling the unit: \$60,890).

The Modernization Coordinator told us that he was aware that one unit had received over \$60,000 in renovation costs, and the Housing Authority could have used some of this money to renovate other units. For this unit, he stated that the cost overruns resulted from about \$40,000 in labor costs. The Housing Authority’s skilled electricians had to tear out walls and reinstall electrical wiring because the initial wiring did not meet code requirements. Housing Authority documents were not sufficient for us to confirm the statements of the Modernization Coordinator. Because Housing Authority documents did not show that the excessive costs on this unit had a proper basis, we conclude that the complaint was partially valid.

Complainants and homebuyers told us that Housing Authority staff did not always adequately supervise rehabilitation work, and we also found that modernization procedures were not consistent. During the course of our review, we found that the Housing Authority sends a written notification to homebuyers explaining the criteria for modernization. This notification informs them of the Housing Authority’s requirements and renovation process. One requirement is that families must review and approve the Scope of Work, participate in the final inspection, and sign an Occupancy Acceptance form.

In our review of six homebuyer files, we found that only three of the six homebuyers reviewed and signed the Scope of Work, and only two signed the Occupancy Acceptance forms. According to the Modernization Coordinator, some homebuyers were reluctant to sign the forms and some cannot read. For the unit receiving \$32,290 above the average rehabilitation cost, Housing Authority files contained no evidence that the Housing Authority monitored the rehabilitation work, or that the homebuyer approved the Scope of Work or signed an Occupancy Acceptance form.

COMPLAINT #12: THE EXECUTIVE DIRECTOR IS OVERPAID

A complainant told us that the current Executive Director receives percentage-based compensation and his salary is excessive. To determine whether the complaint was valid, we reviewed payroll records, the Executive Director's employment contract, and a salary comparability survey. We found that the Executive Director's employment contract links a fixed salary increase (not a commission) to a reduction of delinquent accounts (along with other performance measures). A salary comparability survey showed that the Executive Director's salary is within the range of similar positions at comparable local public agencies. We concluded that this complaint did not have merit.

Other Matters Needing Attention

FAILURE TO CONVEY TITLE ON MUTUAL HELP HOMES

During the course of our review, we found that the Housing Authority does not always convey title to Mutual Help homebuyers when the balance of the purchase price is paid. We reviewed 11 homebuyer files covering the period 1993 to 1997. All of these homebuyers had paid off their balances. Out of the 11, the Housing Authority conveyed only 1 title, held off conveyance of title at the request of 2 homebuyers, and had not conveyed titles to the remaining 8 homebuyers.

24 CFR 950.440(e) states that an IHA shall convey title to the homebuyer when the balance of the purchase price can be covered from the amount in the equity account. In 1995, the regulations at 24 CFR 950.440(a) were amended and now provide that an IHA may delay conveyance long enough for a paid-off unit to be modernized in accordance with the IHA's Comprehensive Plan. Until the title is conveyed, the homebuyer is responsible for making monthly payments to cover operating expenses for the unit.

For the eight homebuyers, the Housing Authority violated HUD regulations because title was not conveyed at the time the balances were paid off and conveyance was not held off pending completion of modernization work. One of the homebuyers said that Housing Authority staff told her that titles are conveyed to homebuyers project by project. The Executive Director told us that the Housing Authority's accounting software is inadequate, making it difficult to identify those who have already paid off their homes. Also, Housing Authority staff have a backlog of paid-off Mutual Help homes but have not been able to work on the title transfers. The Housing Manager told us that the delay in conveying titles was the result of a management oversight.

ANNUAL UNIT INSPECTIONS NOT PERFORMED

The Housing Authority has not inspected some housing units since October 1995. This violates the Housing Authority's written policy which requires inspections of rental and Mutual Help units at least annually. The Housing Authority managers told us that the current Executive Director instructed them to stop unit inspections because he needed more staff to do collections. The Executive Director told us that he is interested in resuming the inspections.

Recommendations and Housing Authority Responses

This section contains our recommendations to the Housing Authority and its responses. We have arranged our recommendations by management area: occupancy, health and safety, maintenance, modernization, and title conveyance on Mutual Help homes.

We recommend that you ensure that the Housing Authority:

1. Occupancy

- A. Retains printouts and electronic copies of waiting lists for a period of at least three years.
- B. Ensures that occupancy staff fully comply with the Housing Authority's Admissions Policy when admitting applicants to elderly projects.
- C. Discontinues the practice of admitting over-income families.
- D. Ensures that its practice of admitting families whose head of household is at least 55 but less than 62 years old agrees with its written policy and HUD requirements.

The Housing Authority responded that these recommendations have been implemented. They noted that the Occupancy Department is keeping printouts of the waiting lists and plan on requesting updates every six months. Moreover, the Executive Director stated that only those who are 62 years old or older, or who have a documented disability will be admitted to elderly projects, and the practice of admitting over-income families has been discontinued.

2. Health and Safety

- A. Immediately installs carbon monoxide detectors in all units to warn tenants of gas leaks.
- B. Immediately begins furnace inspections and replace furnaces, as needed.
- C. Considers relocating the receiving unit for the Wanity Park call devices to Foster Center, a project having 24-hour staff.

The Housing Authority stated that these recommendations have been implemented. They stated that all heating furnaces at the Apas Goudy project (Projects 22-2 and 22-6) have been replaced, and carbon monoxide detectors have been installed in each rental unit. The Housing Authority also stated that they are consulting with electrical contractors and equipment vendors to determine the most appropriate system configurations and the best staff deployment to respond to call devices.

3. Maintenance

- A. Establishes a system to ensure that work order requests are properly processed and maintenance service is provided in a timely manner, and that the tenant is properly charged for the services provided, as appropriate.
- B. Obtains Board approval for any labor charge increases.

- C. Modifies the Maintenance Policy and Schedule of Tenant Charges as appropriate.

The Housing Authority stated that it is implementing these recommendations. The Executive Director noted that the Work Order module of the new accounting software is fully functional, the Work Order Process System has been reorganized, and the Housing Authority has budgeted funds for additional maintenance staff. The Housing Authority also stated that it is in the process of revising Housing Authority policies and ensuring that these policies are consistent with NAHASDA.

4. Modernization

- A. Establishes adequate safeguards, including the hiring of skilled and experienced supervisors, to ensure that development and modernization activities are conducted in an effective and timely manner.
- B. Continues to provide training for force account workers to increase their skill levels as quickly as possible.
- C. Increases its outreach to homebuyers to ensure that they understand required documents and are allowed to participate in the renovation process, in accordance with the Housing Authority policy.
- D. Resumes unit inspections, in accordance with Housing Authority policy.

The Housing Authority stated that they are in the process of implementing these recommendations by filling several key supervisory vacancies with skilled construction personnel, and setting up another training program for force account employees. The Housing Authority also stated that they are implementing the other recommendations, including increased homebuyer outreach and unit inspections.

The Executive Director noted that it was not his intent to discontinue unit inspections. He also stated that unit inspections were not conducted because of a miscommunication between himself and Housing Authority managers. He noted that he will continue to work with management staff to improve communications, and the Housing Authority has hired a Preventive Maintenance Technician to inspect all Rental units.

5. Title Conveyance on Mutual Help Homes

- A. Ensures that the Housing Authority's accounting system enables staff to track homebuyer balances accurately.
- B. Reviews balances for all Mutual Help homes and convey title to all homebuyers who have paid-off balances, unless the unit is scheduled for renovation and the homebuyer is willing to pay the minimum monthly payment.

The Housing Authority stated that problems with title conveyance largely stemmed from the previous accounting system, and these problems have been mitigated by the implementation of a new accounting system, starting in November 1997. In addition, the Housing Authority has created and filled additional positions to handle the work tasks needed to convey Mutual

Help titles. Further, the Executive Director noted that the Housing Authority has conveyed all Mutual Help titles in need of conveyance at the time of the HUD OIG field work, and Housing Authority staff have developed better procedures to review Mutual Help balances and convey titles in a timely manner.

6. General

- A. We also recommend that the Northwest Office of Native American Programs ensure that the Housing Authority has implemented corrective action on all of our recommendations before approving its next operating plan under the Native American Housing and Self-Determination Act of 1996 (NAHASDA).

Auditee Comments

Distribution