

OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT TO CONGRESS

FOR THE PERIOD ENDING SEPTEMBER 30, 2017



U.S. DEPARTMENT
OF HOUSING
AND URBAN
DEVELOPMENT

HIGHLIGHTS

OUR MISSION

To provide independent, objective, and impactful oversight of the Department to help ensure efficient and effective programs and operations.

OUR VISION

To be the Office of Inspector General of choice for driving accountability and trust in Federal programs.

OUR VALUES

Accountability

Accountability is taking ownership of our decisions and actions. We hold one another accountable to a higher standard of conduct.

Courage

Courage is doing what is right, no matter how difficult. We ask questions and raise concerns when needed.

Respect

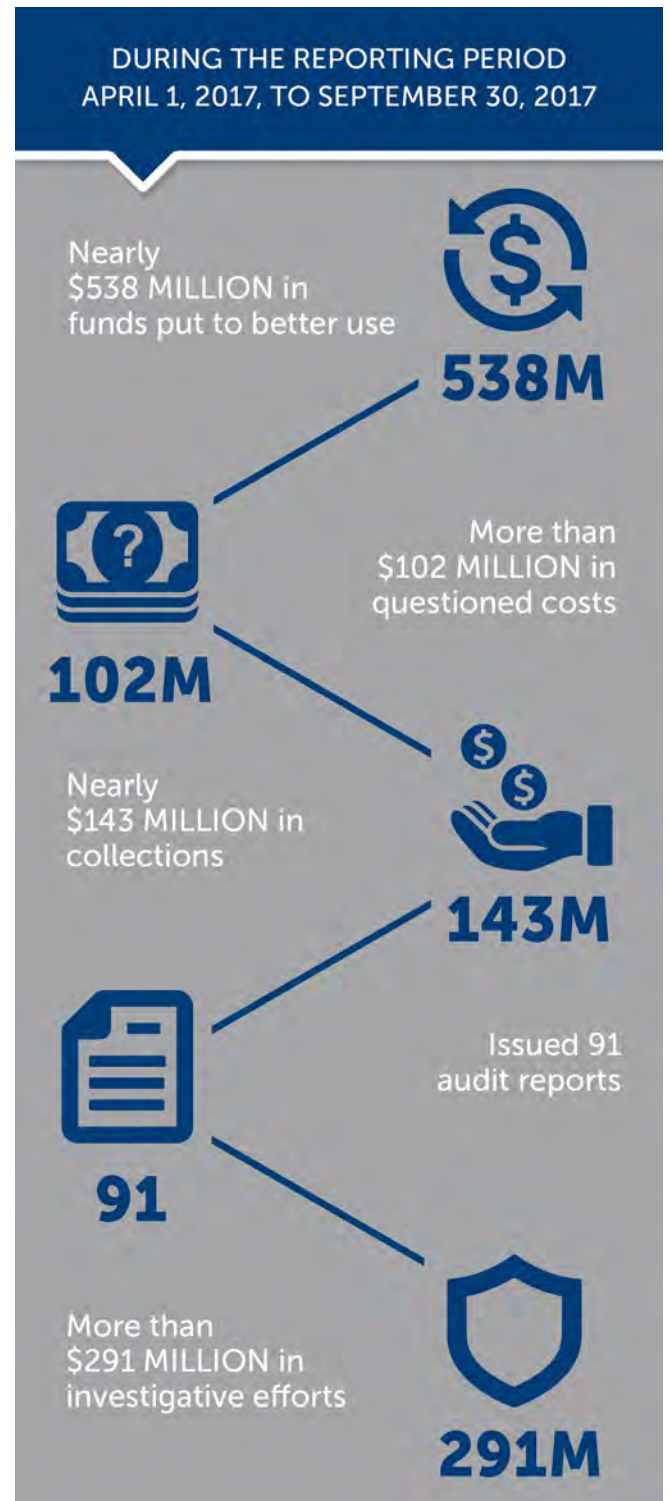
Respect is appreciating the uniqueness of our workforce. We treat others with dignity, civility, and mutual consideration.

Stewardship

Stewardship is accepting our responsibility to serve the public good. We care about leaving things better than we found them.

Trust

Trust is the result of promises kept. We deliver on our commitments and communicate honestly with our stakeholders.





It is with great pleasure that I submit the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) Semiannual Report to Congress for the second half of fiscal year 2017. This report describes the remarkable accomplishments

of the dedicated employees of HUD OIG. Among these are a continuation of OIG's return on investment, which for fiscal year 2017 is 37 to 1 for every dollar spent on our work. By promoting better stewardship and accountability in HUD's programs, HUD OIG staff ensures that we have a lasting, positive impact on the Department and our communities for the benefit of the American people.

As an example of this impact, our Office of Audit produced a number of reports related to disaster funding and Federal Housing Administration (FHA) single-family programs. One of the more significant reports identified that HUD did not ensure that funds disbursed for disaster recovery programs were always used to acquire eligible and necessary products and services at fair and reasonable prices with appropriate support. Another report determined that HUD did not provide sufficient guidance and oversight to ensure that properties approved for FHA mortgage insurance had a continuing and sufficient supply of safe and potable water.

In addition, our Offices of Investigation, Audit, and Evaluation were assembled to assess concerns regarding claims of wrongdoing, mismanagement, and ineffectiveness related to HUD's Section 232 nursing home mortgage insurance program. The conduct of the program owners and operators, as well as oversight by HUD's Office of Residential Care Facilities, Real Estate Assessment Center, and Departmental Enforcement Center, were reviewed using a holistic approach to ensure effectiveness in the carrying out HUD's role to provide decent, safe, and sanitary facilities for the care of our elderly and disabled population.

Our Office of Investigation continues to have a significant impact on the Department through its investigative work. In one case, involving HUD Community Development Block Grant funds, HUD OIG investigated a New Jersey executive director of the Newark Watershed Conservation Development Corporation along with other conspirators engaged in a scheme to defraud a development company by accepting bribes and kickbacks from contractors and others based on fraudulently inflated invoices or being awarded work that was not performed. The former executive director, an employee,

and multiple contractors for a city development organization were collectively sentenced in U.S. District Court to 20 years imprisonment for their role in the kickback scheme and ordered to pay \$999,683 to the development organization.

In another case in Houston, TX, two lenders, their president, and a senior vice president originated loans through branches not approved by HUD, made false certifications to HUD regarding branch operations, submitted fictitious quality control reports to HUD, and failed to disclose that the company had been sanctioned by regulators and that some employees had felony convictions. The lenders violated the False Claims Act and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. In November 2016, a jury awarded the United States more than \$92.9 million in damages. In September 2017, a Federal judge elected to triple the jury's award judgment to FHA in the amount of more than \$278.9 million.

We have also brought our resources to bear in other areas. For example, HUD's use of legacy information technology (IT) systems poses risks. Our recent Office of Evaluation work found that 74 of the 85 major systems (87 percent) supporting HUD programs were comprised of legacy components. These systems are so old that it is increasingly difficult for HUD to maintain hardware and software and secure data. Authority is fragmented among the Office of the Chief Financial Officer, Office of the Chief Information Officer, and program offices for system planning, design, and development. If these key systems became unavailable, FHA would be unable to track insurance and pay claims, Section 8 payments could not be paid, and HUD financial systems would be unable to track expenditures.

Additionally, HUD has historically tried to incorporate risk management into its IT processes but consistently has not succeeded because its risk-based decisions were made in program offices, not at the Department level. Without a cohesive Enterprise Risk Management program, HUD is hampered in developing an IT strategic plan that is driven by risk. Such a plan would allow HUD to make well-informed decisions to ensure that its resources are being well spent and aligned with business objectives.

In closing, we in HUD OIG are committed to working with Congress and the Department to improve HUD's programs and operations. I also want to reiterate my sincere appreciation of the employees of HUD OIG for their dedication to the vitally important work they undertake every day. Through their collective effort, HUD OIG has surpassed its goals and fulfilled its mission and responsibilities to our Nation's citizenry.

A handwritten signature in black ink that reads "Helen M. Albert". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Helen M. Albert | Acting Inspector General

PROFILE OF PERFORMANCE

For the period April 1, 2017, to September 30, 2017

AUDIT RESULTS ¹	THIS REPORTING PERIOD	FISCAL YEAR 2017
Recommendations that funds be put to better use	\$537,844,946	\$3,854,174,737
Recommended questioned costs	\$102,430,550	\$246,964,572
Collections from audits	\$20,189,725	\$42,953,295
Administrative sanctions	1	1
Civil actions	1	3
Subpoenas	85	95
Personnel action	0	0

INVESTIGATION RESULTS ¹	THIS REPORTING PERIOD	FISCAL YEAR 2017
Total restitutions and judgments	\$291,478,639	\$487,588,517
Total recoveries and receivables to HUD programs ²	\$34,189,938	\$45,149,855
Arrests	108	265
Indictments and informations	143	297
Convictions, pleas, and pretrial diversions	129	234
Civil actions	23	42
Total administrative sanctions	114	271
Suspensions	37	105
Debarments	54	106
Limited denial of participation	0	1
Removal from program participation	0	0
Evictions	8	21
Other ³	15	38
Systemic implication reports	1	3
Search warrants	32	59
Subpoenas	343	685

JOINT CIVIL RESULTS ¹	THIS REPORTING PERIOD	FISCAL YEAR 2017
Recoveries and receivables to HUD programs or HUD program participants	\$88,450,000	\$143,204,576
Recoveries and receivables for other entities ⁴	\$71,901,944	\$84,771,366
Recommendations that funds be put to better use	\$0	\$55,405
Civil actions	5	9
Administrative sanctions	0	18

¹ The Offices of Audit and Investigation and the Joint Civil Division periodically combine efforts and conduct joint civil fraud initiatives. Outcomes from these initiatives are shown in the Joint Civil Results profile and are not duplicated in the Audit Results or Investigation Results.

² Does not include civil settlements worked jointly with Office of Audit

³ Includes reprimands, suspensions, demotions, or terminations of the employees of Federal, State, or local governments or of Federal contractors and grantees, as the result of OIG activities

⁴ This amount represents funds that relate to HUD programs but were paid to other entities rather than to HUD, such as funds paid to the U.S. Treasury for general government purposes.

INSPECTOR GENERAL EMPOWERMENT ACT

BACKGROUND AND SUMMARY

The Inspector General Empowerment Act (Public Law 114-317) (IGEA), enacted in December 2016, mandates several reporting requirements in the U.S. Department of Housing and Urban Development, Office of Inspector General's (HUD OIG) Semiannual Report to Congress (SAR). Below are the statutory requirements stipulated in the IGEA with hyperlinks to the detailed information as addressed throughout the SAR:

- Summary of all reports with no establishment comment
 - Summary of All Reports With No Establishment Comment (below)
- Summary of all reports with outstanding unimplemented recommendations, including potential cost savings
 - Appendix 5 - Open Recommendations
- Statistical table showing investigative report metrics
 - Investigative Statistics and Metrics (below)
- Whistleblower retaliation instances
 - Chapter 11 - Whistleblower Programs
- Instances of HUD interference through budget constraints, resistance, or objections
 - OIG Independence (below)
- Undisclosed reports
 - Appendix 4 - Undisclosed Reports

INVESTIGATIVE STATISTICS AND METRICS

The IGEA requires the SAR to include statistical tables and metrics for investigative cases. For the information below, the data used in this statistical table were extracted from HUD OIG's Case Management System. The Case Management System and its underlying infrastructure allow for data input and maintain data integrity during the complete investigative case cycle, while ensuring data privacy and confidentiality. The system was developed in .Net 4.5.1, and the database is SQL 2012. HUD OIG develops queries to extract data from the Case Management System to meet business requirements, such as the information used to create this statistical table. The following table provides additional guidance pertaining to each requested category of information. HUD OIG's Case Management System is not currently configured to quantify persons referred for prosecution or differentiate whether a case or person was referred for Federal prosecution or State or local prosecution. HUD OIG is currently developing a solution to the system configuration to allow a query to quantify persons referred for state and federal prosecution.

Investigative statistical table (5(a)(17-18)):

Requirement	Total
A. Total number of investigative reports issued during the reporting period ⁵	231
B. Total number of persons referred to the U.S. Department of Justice for criminal prosecution during the reporting period. ⁶	119
C. Total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period. ⁷	119
D. Total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities. ⁸	143

INVESTIGATIONS OF SENIOR GOVERNMENT EMPLOYEES

The IGEA requires the SAR to summarize each investigation involving a senior government employee when allegations of misconduct were substantiated. Listed below are the cases for this reporting period:

FALSIFICATION OF GOVERNMENT HIRING DOCUMENTS AND GROSS MISMANAGEMENT

It was alleged that a HUD regional administrator and a former senior advisor committed gross mismanagement and created an announcement and rating factors to hire a spouse. It was also alleged that the administrator and former advisor rewrote the elements for multifamily presidential management fellows to bring them into the agency at a grade higher than that of similar fellows in other divisions. The matter was investigated, but the allegations were not substantiated. However, during the investigation, it was found that the regional administrator had given a management analyst improper access to HUD's Time and Attendance system. HUD OIG referred the case to the U.S. Attorney's Office (USAO) on November 9, 2016. The USAO declined criminal prosecution, citing a lack of apparent criminal intent. The regional administrator departed HUD during the course of the investigation, and the management analyst was directed to take a time and attendance system training.

SEXUAL HARASSMENT

A HUD administrative specialist reported that he was being harassed by a HUD senior advisor and that the senior advisor sent sexually explicit text and voicemail messages on the administrative specialist's personal cellular telephone, as well as instant messages to the administrative specialist's HUD account, for approximately 18 months. The administrative specialist stated that he asked the senior advisor to stop this activity and reported the harassment to several supervisors. The administrative specialist also stated that the senior advisor implied that in exchange for sexual relations, the senior advisor could help improve the administrative specialist's professional career. HUD

⁵ Includes approved reports of investigations

⁶ Includes total cases presented for prosecution. HUD OIG's case management system is not currently configured to quantify persons referred.

⁷ Includes total cases presented for prosecution. HUD OIG's case management system is not currently configured to quantify persons referred.

⁸ Includes all_charging documents reported: criminal complaints, indictments, informations, and superseding indictments

OIG referred the case to the USAO on January 16, 2017. On January 16, 2017, the USAO declined criminal prosecution due to available administrative remedies. The HUD employee retired.

VIOLATION OF CONFLICT OF INTEREST

It was alleged that a HUD director steered contracts and potentially violated the conflict-of-interest statute. The matter was investigated, but the allegation was not substantiated.

HUD OIG conducted a preliminary inquiry into potential violations of postemployment restrictions by a former senior Federal Housing Administration official. The investigation did not substantiate misconduct by the former official, nor did it identify evidence indicating that the former official communicated with Department officials in violation of Federal law or regulation.

HUD OIG received information alleging that a HUD administrative officer owned several apartment buildings, which were rented to tenants in HUD's Section 8 program. The investigation did not substantiate misconduct by the administrative officer and determined that the subject did not violate any program rules.

SUMMARY OF REPORTS WITH NO ESTABLISHMENT COMMENT

The IGEA requires OIGs to report on each audit and evaluation report for which the Department did not return comments within 60 days of HUD OIG's providing the report to the Department. There are no instances to report this period.

OIG INDEPENDENCE

The IGEA requires the SAR to include a detailed description of any attempt by the establishment to interfere with the independence of OIG, including incidents in which the establishment has resisted or objected to oversight activities or restricted or significantly delayed access to information. There are no instances to report this period.

SUMMARY OF REPORTS WITH OPEN RECOMMENDATIONS

The IGEA requires OIGs to report on each audit and evaluation report for which there are any outstanding unimplemented recommendations, including the combined potential cost savings of these recommendations. Summaries for the Office of Audit and Office of Evaluation is presented below. The complete details of each open recommendation can be found in appendix 5.

AUDIT

The Department currently has 2,221 outstanding (open) unimplemented recommendations with a combined potential cost savings of more than \$14 billion. The following table reflects the reasons why they remain unimplemented:

- 1,736 recommendations with active corrective action plans in place or valid repayment plans but not yet fully implemented by HUD.
- 485 recommendations currently without management decisions (agreement between the Department and OIG). Forty-six recommendations are beyond the 180-day statutory requirements due to disagreement and were reported in table A of the SAR. The remainder are within the 180-day limit, during which time management and OIG can arrive at an agreed-upon corrective action plan.

- 395 open recommendations with management decisions in place but currently under investigative, legislative, or judicial action or under a valid repayment plan and, therefore, suspended pending resolution.

Calendar year	Number of open recommendations	Cumulative estimated cost savings from open recommendations
Pre-2001	6	\$3,992,169
2001	1	320,000
2002	7	1,382,626
2003	15	1,920,011
2004	9	9,071,874
2005	5	3,148,423
2006	37	18,334,821
2007	27	6,435,015
2008	40	72,882,242
2009	34	80,204,111
2010	37	54,455,869
2011	68	106,224,496
2012	49	22,862,098
2013	144	490,142,912
2014	241	2,021,971,818
2015	280	1,384,353,383
2016	547	9,189,977,153
2017	674	778,976,256
Total	2,221	\$14,246,655,277

EVALUATION

The following table summarizes Office of Evaluation (OE) reports with open recommendations:

Reporting period	Number of open recommendations
Pre-2013	0
2013	16
2014	25
2015	27
2016	25
2017	21
Total	114

OE conducts evaluations focused on improving departmental process and programs. As of the writing of this SAR, OE's recommendations have not focused on producing direct cost savings but, rather, improving program effectiveness and reducing the likelihood of negative outcomes. For example, during this reporting period, some of OE's recommendations addressed how HUD should provide clearer guidance and instruction to disaster grantees to assist them in establishing effective internal audit activities



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CHAPTER 1 – Integrity & Compliance Program



In October 2015, the U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), set out to establish an Integrity & Compliance Program (ICP). This program, modeled after private-sector corporate ethics and compliance programs, was developed to provide a framework and foundation for ethical decision making and behavior. With the creation of the ICP, we have taken proactive steps to examine how we can build and sustain our values-based culture, which is reflected by our Core Values.

SUMMARY OF PROGRESS

In December 2015, HUD OIG completed a cultural assessment survey that focused strongly on our leadership climate and ethical culture. In addition to identifying priorities for HUD OIG, the questions in the survey were designed to provide an assessment of employee perceptions of ethical culture and compare our results to national benchmarks.

Based on employee feedback from our cultural assessment survey, we established five Core Values: accountability, courage, respect, stewardship, and trust. To communicate these values to our staff, we led an internal interactive communications campaign across the workforce.

In December 2016, we took the unprecedented step of developing and disseminating a new Accountability Report to all staff. This report listed charges and actions taken regarding misconduct and ethical lapses of OIG employees. The release of the report demonstrates the importance of transparency and illustrates how HUD OIG holds its staff accountable.

CORE VALUES: DEVELOPING OUR “SPEAK UP – LISTEN UP” CULTURE

The Core Values identified in the survey serve as the foundation for our professional conduct and serve as the essential elements toward building a better workplace. We have continued to emphasize the importance of our values through a sustained internal interactive communications campaign. Along with a video message from

our Deputy Chief Integrity and Compliance Officer, each of our senior leaders has filmed a video message in which they discuss the personal importance of a particular HUD OIG core value. The communications from senior leaders are released monthly to the entire workforce.

CORE VALUES TRAINING: BRICKS & MORTAR: BUILDING A BETTER WORKPLACE

In June 2017, HUD OIG initiated its second round of manager-led training, entitled “Bricks & Mortar: Building a Better Workplace.” The training, geared for all employees, included scenarios based on actual events that have occurred within OIG. Staff was encouraged to openly discuss ethical dilemmas and determine possible resolutions relative to HUD OIG Core Values. The training sessions were an opportunity to talk openly about our challenges, our work environment, and how our Core Values help us build a better workplace. The most recent round of training concluded in September 2017. We will continue to conduct this training once per quarter.

NEXT STEPS

The ICP is designed to strengthen and sustain our culture of compliance and integrity. Our newly established Integrity Ambassadors program, in which a diverse group of employees serve as ICP representatives to their offices, will further enable our employees to speak up and do the right thing.

Along with creating a Core Values Award to recognize exemplary employee displays of our Core Values, we also plan to conduct a second enterprisewide cultural assessment survey in the spring of 2018 to determine the effectiveness of the ICP and identify program priorities moving forward.

We hope our success will encourage the Department and other Federal agencies to follow our example, but more importantly, we hope to become a model for HUD to replicate, because+ such programs are relatively uncommon within the Executive Branch.

CHAPTER 2 – SINGLE-FAMILY PROGRAMS

The Federal Housing Administration (FHA) single-family programs provide mortgage insurance to mortgage lenders that, in turn, provide financing to enable individuals and families to purchase, rehabilitate, or construct homes. Some of the highlights from this semiannual period are noted below.

AUDIT

Strategic Initiative 1: Contribute to the reduction of fraud in single-family insurance programs

Key program results		Questioned costs	Funds put to better use
Audit	15 audits	\$5,299,854	\$364,176,108

REVIEW OF HUD'S OVERSIGHT TO ENSURE THAT FHA-INSURED PROPERTIES HAD SAFE WATER

The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), audited HUD's oversight of safe water requirements for FHA-insured loans nationwide to determine whether HUD provided sufficient guidance and oversight to ensure that properties approved for mortgage insurance had a continuing and sufficient supply of safe and potable water.

HUD did not provide sufficient guidance and oversight to ensure that properties approved for mortgage insurance had a continuing and sufficient supply of safe and potable water. Of 49 loan files reviewed, from a universe of 1,432 properties connected to a public water supply for which a notice that it had lead contamination was issued to the public, none disclosed the contamination or contained evidence of water testing. As a result, HUD could be endorsing loans for properties with contaminants that affect families' health. Further, if property values decrease due to the water quality issues, both HUD and the homeowner face an increased risk of loss.

OIG recommended that HUD direct the applicable lenders to provide evidence that the properties for 1,383 FHA-insured loans had a safe and potable water source or that the appraisers had not notified them of the water quality issue on their appraisals. If they cannot provide this evidence, HUD should direct them to perform water testing and any necessary remediation or indemnify HUD against future loss. OIG also recommended that HUD improve its guidance and implement policies and procedures to ensure compliance, thereby putting nearly \$238.1 million to better use. (Audit Report: **2017-PH-0003**)

REVIEW OF HUD'S OVERSIGHT OF SERVICERS' USE OF LOSS MITIGATION PROGRAMS

HUD OIG audited HUD's oversight of servicers' use of loss mitigation programs to determine whether HUD had adequate controls to ensure that servicers of single-family FHA-insured loans engaged in loss mitigation as required.

HUD did not have adequate controls to ensure that servicers of single-family FHA-insured loans properly engaged in loss mitigation. More specifically, HUD did not adequately review claim loans that did not have loss mitigation default status codes reported to HUD by servicers. From January 1, 2014, to December 31, 2016, there were 14,763 claim loans, which indicated that servicers did not engage in loss mitigation, and HUD reviewed only 194 (1.3 percent) of these loans. Also, a review of 90 statistically sampled claims that closed from January 1, 2012, to December 31, 2015, determined that 26 had significant servicing deficiencies. This lack of oversight may have put borrowers in default at risk of not being able to avoid foreclosure by using HUD's loss mitigation program and resulted in an increased overall risk to the program of a projected more than \$120.9 million for losses in which servicers did not properly engage in loss mitigation.

OIG recommended that HUD (1) revise its policies and procedures to emphasize increased controls toward claim loans for which no loss mitigation evaluation occurred; (2) develop and implement policies and procedures to ensure that the Office of Lender Activities and Program Compliance and the Office of Single Family Asset Management communicate the results of servicing reviews to each other; (3) implement policies and procedures to reinforce guidance to ensure that servicers accurately report the status of loans to HUD; (4) require indemnification for the 26 loans that had significant servicing deficiencies, resulting in nearly \$1.7 million in questioned costs; (5) reinforce guidance to servicers to ensure that they engage in loss mitigation as required; and (6) require the servicers with deficiencies to revise their procedures to ensure that they comply with the requirements. (Audit Report: **2017-LA-0004**)

REVIEW OF HUD'S OVERSIGHT OF VOLUNTARY TERMINATIONS OF FHA-INSURED LOANS

HUD OIG audited HUD to determine whether it ensured that lenders properly processed voluntary terminations of insurance coverage on single-family FHA loans and disclosed all implications of the terminations to the borrowers.

HUD did not always ensure that lenders properly processed voluntary terminations of FHA insurance for single-family loans and did not ensure that lenders disclosed all implications of voluntary termination of mortgage insurance to the borrowers. As a result, borrowers lost the protection of their FHA insurance coverage, overpaid FHA premiums, and were not fully informed of the financial impact of the voluntary terminations, and HUD's records were inaccurate.

OIG recommended that HUD (1) investigate the 14 loans with unpaid mortgage amounts totaling more than \$3 million and require the lenders to obtain the borrowers' consent, reinstate the insurance coverage, or take other action as appropriate for each loan; (2) remind lenders that voluntary termination is not the correct termination type for recording third-party sales and borrower consent is required to terminate insurance, even if the loans are indemnified; (3) improve its procedures to detect and sanction improper voluntary terminations; and (4) update HUD Handbook 4000.1 to require that the consent form include an explanation that voluntary termination differs from mortgage insurance premium cancellation as well as the disclosure of any outstanding partial claims when lenders attempt to voluntarily terminate insurance. (Audit Report: **2017-KC-0003**)

IMPROPER ORIGINATION OF FHA-INSURED LOANS WITH RESTRICTIVE COVENANTS

HUD OIG audited RMS & Associates in **Las Vegas, NV**, to determine whether it complied with HUD requirements for FHA loan origination.

RMS improperly originated 49 FHA loans, which contained prohibited restrictive covenants. As a result, it placed the FHA fund at unnecessary risk for potential losses of more than \$2.4 million. In addition, HUD paid partial claims on two of the 49 active loans, resulting in actual losses of more than \$26,000.

OIG recommended that HUD require RMS to (1) work with HUD to nullify the restrictions on conveyance that violate HUD policy or indemnify HUD against future losses for the 49 loans, (2) repay HUD for partial claims paid on two FHA loans that contained prohibited restrictive covenants, (3) develop and implement policies and procedures to identify prohibited restrictions on conveyance to ensure that it does not originate FHA loans with prohibited restrictive covenants, and (4) provide training to its employees regarding HUD's requirements related to prohibited restrictions on conveyance. OIG also recommended that HUD pursue civil and administrative remedies regarding improper certifications made to HUD if legally sufficient. (Audit Memorandum: **2017-LA-1803**)

PROPERTY PRESERVATION AND PROTECTION SERVICES WERE NOT PROVIDED BY A MANAGEMENT AND MARKETING III PROGRAM COMPANY

HUD OIG audited BLM Companies LLC in **Hurricane, UT**, regarding its controls and performance under its Management and Marketing III program field service manager contract with HUD for area 1D, which included HUD real estate-owned and custodial properties in New Mexico, North Texas, Utah, and Colorado. The audit objective was to determine whether BLM Companies LLC provided property preservation and protection services in area 1D in accordance with its contract and HUD requirements.

BLM did not comply with its HUD area 1D field service manager contract. Observations of properties assigned under the contract showed a 71 percent failure rate. As a result, BLM did not protect and preserve HUD-held properties in accordance with the contract, increasing the risk to the FHA insurance fund related to health and safety hazards and reduced sales prices. HUD paid BLM nearly \$497,000 in unearned property management and inspection fees over the term of the contract.

OIG recommended that HUD require BLM to (1) repay more than \$8,000 in ineligible costs and support or repay nearly \$489,000 in unearned property management and inspection fees and (2) implement an effective quality control system to ensure that it complies with its contract, putting \$891,000 to better use. Additionally, HUD should assess BLM's performance at least quarterly and if its performance does not improve, determine whether BLM was in default of its contract and take appropriate action if needed. (Audit Report: **2017-FW-1011**)

HUD OIG audited BLM Companies LLC in **Hurricane, UT**, a contracted field service manager in HUD's real estate-owned Management and Marketing III program, to determine whether BLM provided property preservation and protection services in accordance with its contract with HUD and its own requirements.

BLM did not provide property preservation and protection services in accordance with its contract with HUD and its own requirements. Specifically, it did not ensure that it performed adequate initial services before recently acquired HUD-owned properties were promoted to ready-to-show status. BLM also did not ensure that HUD-owned and custodial properties were maintained in accordance with its contract with HUD. As a result, HUD lacked assurance that BLM maintained the properties in a manner that preserved communities and the value of the properties. Further, BLM inappropriately received more than \$25,000 in management fees for properties that were not maintained in accordance with its contract.

OIG recommended that HUD require BLM to (1) certify and support that the applicable deficiencies have been corrected for 8 of the 109 properties cited, (2) reimburse HUD for properties that did not receive proper preservation and protection services, and (3) implement adequate procedures and controls to ensure that all properties comply with its contract with HUD and its own requirements to prevent \$594,000 in HUD funds from being spent over the next year on management fees for properties that are not adequately maintained. Further, OIG recommended that HUD assess BLM's performance at least quarterly and if its performance does not improve, HUD should determine whether BLM has defaulted on its contract and take the appropriate actions. (Audit Report: **2017-CH-1011**)

REVIEW OF HUD'S RULEMAKING PROCESS FOR ITS SINGLE-FAMILY NOTE SALES PROGRAM

HUD OIG audited HUD's single-family note sales program to determine whether HUD conducted the rulemaking process for the program.

HUD did not conduct rulemaking or develop formal procedures for its single-family note sales program. HUD issued an advance notice of proposed rulemaking in 2006 to solicit comments on the program. However, it did not finalize the comment process or prepare the program for a final rule. Additionally, HUD did not develop formal guidance or procedures for its note sales program.

OIG recommended that HUD (1) complete the rulemaking process for its single-family note sales program and (2) develop and implement formal procedures and guidance for the program. (Audit Report: **2017-KC-0006**)

REVIEW OF GINNIE MAE'S OVERSIGHT OF NONBANKS

HUD OIG audited the Government National Mortgage Association's (Ginnie Mae) oversight of nonbanks to determine whether Ginnie Mae responded adequately to changes in its mortgage-backed securities issuer base.

Ginnie Mae did not adequately respond to changes in its issuer base. Specifically, it did not implement policies and procedures in a timely manner for its account executives to follow in managing issuers, did not develop a written default strategy, and did not assess and address the risks posed by nonbanks in a timely manner. As a result, Ginnie Mae may not identify problems with issuers in time to prevent default. Additionally, it may not be able to properly service loans absorbed in a default and may require additional funds from the U.S. Treasury to pay investors in the event of a large issuer default.

OIG recommended that Ginnie Mae develop and implement controls to (1) ensure that policies and procedures for account executives are continually reviewed and updated to reflect changes in Ginnie Mae's operations; (2) determine the total impact of a large or multiple-issuer default, the maximum-size default Ginnie Mae can adequately execute, and individual issuers' ability to adapt to changing market conditions; (3) continually assess personnel skills required to meet organizational goals; and (4) ensure that employee skill levels are developed to meet changing organizational needs. (Audit Report: **2017-KC-0008**)

INVESTIGATION

Program results

Administrative - civil actions	69
Convictions - pleas - pretrial diversions	34
Financial recoveries	\$265,537,959

TEN IMPRISONED FOR LOAN MODIFICATION SCAM

Ten employees of a mortgage modification company were sentenced in U.S. District Court in connection with earlier guilty pleas to and convictions of wire fraud, mail fraud, and conspiracy to commit wire fraud. Collectively, the defendants were sentenced to more than 104 years imprisonment and ordered to pay more than \$10.2 million in restitution to the victims. The conspirators targeted distressed homeowners, making misrepresentations to induce them to make payments of thousands of dollars each in exchange for supposed mortgage modification assistance. The defendants did nothing to modify the mortgages and used the victims' payments for their own personal benefit. Victims suffered losses exceeding \$11 million. HUD OIG, the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), the United States Postal Inspection Service, and the Federal Housing Finance Agency (FHFA) OIG conducted this investigation. **(Orange County, CA)**

LENDERS AND EXECUTIVES ORDERED TO PAY ALMOST \$300 MILLION

A Federal jury found two lenders, their president, and a senior vice president liable for violations of the False Claims Act and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for misrepresentations in connection with the FHA program. A Federal judge in U.S. District Court ordered the defendants to pay more than \$298.5 million to FHA for those violations. The lenders originated loans through branches not approved by HUD, made false certifications to HUD regarding branch operations, submitted fictitious quality control reports to HUD, and failed to disclose that the company had been sanctioned by regulators and that some employees had felony convictions. HUD OIG, the HUD Office of General Counsel, and the U.S. Attorney's Office conducted this investigation. **(Houston, TX)**

FIVE SENTENCED FOR LOAN MODIFICATION SCAM

Five conspirators were sentenced in U.S. District Court in relation to their earlier guilty pleas to conspiracy, wire fraud, and submitting false information to HUD for their role in a loan modification scam. The ringleader was sentenced to 135 months in prison, and all five were ordered to pay restitution in the cumulative amount of more than \$2.6 million. The group made a series of false promises to convince more than a thousand distressed homeowners seeking relief through government mortgage modification programs to pay thousands of dollars each in advance fees to numerous companies owned or controlled by the ringleader. Among other things, the fraudsters directed telemarketers and salespeople to lie to distressed homeowner victims by telling them that they were preapproved for loan modifications and that they were retaining a law firm and an attorney who would complete

their mortgage relief applications and negotiate with the banks to modify the terms of their mortgages. Contrary to these representations, the conspirators did little or no work in connection with these fraudulently induced advanced fees. HUD OIG, the Federal Bureau of Investigation, and SIGTARP conducted this investigation. **(Brooklyn, NY)**

FRAUDSTER SENTENCED TO 8 YEARS IN PRISON

A defendant was sentenced in U.S. District Court in connection with his earlier guilty plea to mail fraud, wire fraud, impersonating a government official, and false statement to a government official. The convicted offender operated under several fictitious businesses and under several fake names, falsely representing himself as a HUD employee or attorney to distressed homeowners seeking a reduced interest rate or mortgage payment. He collected payments labeled as “appraisal fees and closing costs” as well as monthly mortgage payments from struggling homeowners under the pretense that they would be forwarded to the lender and go toward a loan modification. However, no money was sent to any lenders. The payments were instead deposited into personal accounts for his own use. The defendant was sentenced to 97 months in prison and ordered to pay more than \$2.2 million in restitution to the victims. HUD OIG, FHFA OIG, SIGTARP, U.S. postal investigators, and the Orange County District Attorney’s Office conducted this investigation. **(Santa Ana, CA)**

CHAPTER 3 – PUBLIC AND INDIAN HOUSING PROGRAMS

The U.S. Department of Housing and Urban Development (HUD) provides grants and subsidies to more than 3,300 public housing agencies (PHA) nationwide. Many PHAs administer both public housing and Section 8 programs. HUD also provides assistance directly to PHAs' resident organizations to encourage increased resident management entities and resident skills programs. Programs administered by PHAs are designed to enable low-income families, the elderly, and persons with disabilities to obtain and reside in housing that is safe, decent, sanitary, and in good repair. Some of the highlights from this semiannual period are noted below.

AUDIT

Strategic Initiative 2: Contribute to the reduction of erroneous payments in rental assistance

Key program results		Questioned costs	Funds put to better use
Audit	23 audits	\$14,999,001	\$108,813,272

REVIEW OF HUD'S HOUSING CHOICE VOUCHER PROGRAM

HUD's Office of Inspector General (OIG) audited the Louisville Metro Housing Authority in **Louisville, KY**, regarding its Section 8 Housing Choice Voucher program to determine whether the Authority administered its program units in accordance with HUD's and its own requirements.

The Authority did not administer its program units in accordance with HUD's and its own requirements. It did not ensure that 103 of 106 (97 percent) program units inspected met HUD's or its own housing quality requirements, and 44 of the 103 units were found to be in material noncompliance with the requirements. In addition, for abatement of housing assistance payments and determination of rent reasonableness and owner eligibility, the Authority did not always comply with HUD's and its own requirements. As a result, some tenants lived in inadequately maintained units, and the Authority disbursed more than \$65,500 in housing assistance payments and received more than \$7,800 in administrative fees for the units in noncompliance with program requirements.

OIG recommended that HUD require the Authority to (1) reimburse its program more than \$73,000 from non-Federal funds, (2) ensure that all violations cited for units failing to meet housing quality standards have been corrected and certify that the units meet program requirements, and (3) develop and implement adequate controls and written procedures to address deficiencies cited and prevent more than \$20.5 million in program funds from being spent over the next year on units that do not materially comply with program requirements. (Audit Report: **2017-AT-1010**)

HUD OIG audited the Housing Choice Voucher program of the Chester Housing Authority in **Chester, PA**, to determine whether the Authority ensured that its Housing Choice Voucher program units met HUD's housing quality standards.

The Authority did not always conduct adequate inspections to ensure that its program units met housing quality standards. Of 65 program units inspected, 61 did not meet HUD's housing quality standards. Further, 22 of the 61 were in material noncompliance with housing quality standards. The Authority disbursed more than \$44,000 in housing assistance payments and received more than \$2,000 in administrative fees for these 22 units. Over the next year, if the Authority does not implement adequate procedures to ensure that its program units meet housing quality standards, HUD could pay more than \$2.6 million in housing assistance for units that materially fail to meet those standards.

OIG recommended that HUD require the Authority to (1) certify, along with the owners of the 61 units cited, that the applicable housing quality standards violations have been corrected; (2) reimburse its program from non-Federal funds for the 22 units that materially failed to meet HUD's housing quality standards; and (3) develop and implement procedures and controls to monitor the inspection process to ensure that program units meet housing quality standards. (Audit Report: **2017-PH-1007**)

HUD OIG audited the Housing Choice Voucher and public housing programs at the West Warwick Housing Authority in **West Warwick, RI**, to determine whether (1) procurements were executed in accordance with Federal regulations, (2) West Warwick officials established adequate controls over the Housing Choice Voucher and public housing programs to ensure compliance with HUD regulations, and (3) purchases and inventory were reasonable and adequately supported.

West Warwick's procurements did not comply with Federal requirements. Thirteen procurements totaling more than \$2 million had deficiencies, including no independent cost estimates, no contracts, no record of bids or requests for proposals, no price evaluations, no completion certifications, and only one notice to proceed. In addition, its credit card charges and petty cash purchases were not supported, and its assets were not protected.

OIG recommended that HUD require West Warwick to (1) provide support for procurements or repay HUD from non-Federal funds, (2) develop and implement controls over its procurement process, (3) develop and implement policies and procedures for the Housing Choice Voucher and public housing programs, (4) provide support for nearly \$19,000 in credit card charges or repay HUD from non-Federal funds, (5) provide support for nearly \$5,000 in petty cash purchases or repay HUD from non-Federal funds, and (6) develop and maintain property records and conduct an inventory in accordance with Federal regulations. (Audit Report: **2017-BO-1006**)

HUD OIG audited the Housing Choice Voucher program of the Menard County Housing Authority in **Petersburg, IL**, to determine whether the Authority complied with its own and HUD's requirements regarding the administration of the Authority's program.

The Authority did not comply with HUD's conflict-of-interest requirements. Specifically, it failed to obtain the services of a HUD-approved independent third party to perform housing quality standards inspections for units owned by entities it substantially controlled. As a result, it paid nearly \$303,000 in housing assistance for ineligible units and could not support the eligibility of nearly \$340,000 in housing assistance payments to the entities. In addition, it inappropriately paid nearly \$8,000 in program funds and could not support the eligibility of more than \$18,000 in program funds paid to a contractor for housing quality standards inspection services.

The Authority failed to comply with its own and HUD's requirements for the Authority's program. Specifically, it did not correctly calculate housing assistance payments and ensure that households resided in affordable units. It also failed to issue appropriate voucher sizes based on family composition and appropriately apply payment

standards and utility allowances for its program households. As a result, it (1) overpaid nearly \$103,000, (2) underpaid nearly \$9,000, and (3) lacked support for nearly \$3,000 in housing assistance. In addition, the Authority's program households contributed more than \$3,000 in excess rental payments.

OIG recommended that HUD require the Authority to (1) reimburse its program nearly \$415,000 from non-Federal funds for the ineligible payments; (2) seek retroactive approval or reimburse its program nearly \$361,000 from non-Federal funds for the inappropriate, overpaid, and unsupported payments; (3) reimburse its program households nearly \$12,000 from non-Federal funds; and (4) implement adequate procedures and controls to address the findings cited. (Audit Report: **2017-CH-1007**)

HUD OIG audited the Housing Choice Voucher program of the Youngstown Metropolitan Housing Authority in **Youngstown, OH**, to determine whether the Authority appropriately managed its Family Self-Sufficiency program and Housing Choice Voucher program files in accordance with HUD's and its own requirements.

The Authority failed to appropriately manage its Family Self-Sufficiency program. As a result, HUD and the Authority lacked assurance that (1) program participants benefited from the program or made progress toward self-sufficiency, (2) escrow balances and monthly escrow deposits totaling nearly \$60,000 in HUD's and its own systems were accurate and reliable, and (3) more than \$400,000 in coordinator grant funds and escrow disbursements were used appropriately. In addition, it inappropriately disbursed more than \$23,000 in program funds for ineligible program graduates. If the Authority does not develop and implement adequate procedures and controls for its program, it could inappropriately use nearly \$128,000 in coordinator grant funds over the next year.

Further, the Authority did not always comply with HUD's and its own requirements for its Housing Choice Voucher program. Specifically, it did not always correctly calculate and support housing assistance payments and perform household reexaminations in a timely manner. As a result, the Authority inappropriately paid nearly \$32,000 in ineligible housing assistance and had nearly \$2,000 in unsupported housing assistance payments. If the Authority does not correct its certification process, it could overpay nearly \$323,000 in housing assistance over the next year.

OIG recommended that HUD require the Authority to (1) support or reimburse its programs from non-Federal funds for escrow calculations and disbursements, coordinator grant funds, and housing assistance payments; (2) reimburse its programs from non-Federal funds for the ineligible escrow disbursements and housing assistance payments; (3) ensure that program funds are used effectively; and (4) implement adequate procedures and controls to correct the findings cited. (Audit Report: **2017-CH-1002**)

REVIEW OF HUD'S REQUIRED CONVERSION PROGRAM

HUD OIG audited HUD's required conversion program activities to determine whether HUD ensured that PHAs properly evaluated their distressed units and converted them to tenant-based rental assistance programs.

HUD did not adequately implement its required conversion program. Specifically, it did not properly identify potential projects requiring conversion and did not follow up to ensure that PHAs took action by conducting proper analyses to determine whether listed projects should be converted to tenant-based rental assistance. HUD also did not apply available remedies when PHAs did not properly identify projects or implement required conversions. As a result, HUD did not require PHAs to identify and convert distressed projects, and more than \$75 million in operating subsidies and capital funds could continue to be spent on projects that have not been determined to be physically viable or less expensive than tenant-based rental assistance.

OIG recommended that HUD develop and implement policies and procedures to identify potentially distressed projects and monitor and enforce the required conversion program. Additionally, OIG recommended that HUD determine whether nine PHAs provided appropriate documentation to support whether potentially distressed projects should be converted to tenant-based rental assistance. If the conversion is required, it should be accomplished in a timely manner, thereby ensuring that more than \$75 million is used effectively for projects that are cost effective and have long-term viability and that tenants receive other rental assistance. (Audit Report: **2017-NY-0001**)

REVIEW OF HUD'S FLAT RENT REQUIREMENTS

HUD OIG audited PHA compliance with HUD's flat rent requirements to determine whether PHAs complied with these requirements.

PHAs did not properly implement HUD's flat rent requirements for more than half of the flat rent tenants reviewed. They undercharged flat rents for 18 of 60 statistically sampled tenants, which projects to a total of 10,119 undercharged flat rent tenants. Additional PHAs used the incorrect methodology to calculate flat rents for 10 tenants but complied with the minimum requirements, and 4 others incorrectly calculated flat rents but were correct for the sampled tenant during December 2016. As a result, PHAs undercharged flat rent tenants by more than \$527,000 nationwide during December 2016 and could undercharge flat rent tenants by more than \$6.3 million during the next year if HUD does not correct this problem. PHAs could also improperly collect increased operating subsidies from HUD.

OIG recommended that HUD finalize and implement monitoring procedures to ensure that more than \$6.3 million is put to better use over the next year. OIG also recommended that HUD clarify guidance to enhance PHAs' understanding of the requirement and follow up with the PHAs sampled to ensure that their rents have been properly adjusted. (Audit Report: **2017-KC-0007**)

REVIEW OF HUD'S VARIOUS PUBLIC HOUSING PROGRAMS

HUD OIG audited the public housing and Housing Choice Voucher programs at the Housing Authority of the City of **Hartford, CT**, to determine whether the Authority complied with HUD and Federal procurement requirements and the Authority's procurement policy.

Authority officials did not always (1) comply with HUD and Federal procurement requirements and their procurement policy and (2) ensure that costs did not exceed contract terms. As a result, they paid more than \$2.5 million in unsupported costs and more than \$1.5 million in ineligible costs and may pay more than \$1.6 million in additional funds that may not have been properly awarded.

OIG recommended that HUD require Authority officials to (1) support that program funds paid were reasonable and allowable or repay the unsupported amount from non-Federal funds, (2) repay from non-Federal sources the ineligible funds paid when costs exceeded contract terms and were paid on expired contracts, (3) determine that additional funds not yet spent on contracts are reasonable and allowable or reallocate the funds to the appropriate programs and reprocure the services as necessary, and (4) strengthen internal controls and procedures for procurement and establish effective systems for contract administration. (Audit Report: **2017-BO-1007**)

HUD OIG audited the New Brunswick Housing Authority in **New Brunswick, NJ**, to determine whether the Authority administered its operating and capital funds in accordance with HUD requirements.

The Authority did not always administer its operating and capital funds in accordance with HUD requirements. Specifically, it (1) did not properly procure goods and services totaling more than \$1 million; (2) did not support more than \$187,000 in capital fund obligations; (3) did not meet obligation deadlines for more than \$704,000 in replacement housing factor funds and disbursed more than \$139,000 after the expenditure deadline; (4) charged its project more than \$87,000 in excessive management fees; and (5) did not ensure that its budget, financial reports, and accounting data were accurate and up to date. As a result, HUD did not have assurance that the prices paid for capital improvements and professional services were reasonable, capital funds were used for eligible activities in a timely manner, operating funds were available for the operations of the Authority's project, and it had accurate information for evaluating the Authority.

OIG recommended that HUD require the Authority to (1) provide documentation to show that funds paid for goods and services were reasonable; (2) provide procurement training to its staff; (3) provide documentation to support 2013 and 2014 capital fund obligations; (4) reimburse HUD for replacement housing factor funds disbursed after the expenditure deadline; (5) improve its controls to ensure that funds are obligated and spent in a timely manner; (6) reimburse its project for excessive management fees; (7) submit a request to revise its budget to reflect expenditures; and (8) improve its controls to ensure that its budget, financial reports, and accounting data are accurate and up to date. Further, OIG recommended that HUD reduce the Authority's future capital funds as a penalty for obligating its replacement housing factor funds after the deadline. (Audit Report: **2017-NY-1013**)

HUD OIG audited Majestic Management, LLC, in **St Louis, MO**, regarding its management agent activities for the public housing program at the East St. Louis Housing Authority to determine whether Majestic Management made only eligible and supported payments for payroll, complied with procurement requirements, and properly performed initial tenant certifications and annual tenant recertifications.

Majestic Management improperly charged payroll costs to the projects. It transferred more money from the projects to itself than was needed to fund payroll, paid employees who were not dedicated solely to Authority operations without adequate documentation, improperly paid its employees bonuses, improperly accrued and paid employees for leave time, and paid employees while they were suspended without pay. In addition, Majestic Management did not comply with procurement requirements. It did not obtain price quotes or maintain adequate records and improperly used companies owned by employees or their spouses. As a result, it deprived projects of nearly \$110,000 in operating subsidies needed to run the projects, and HUD and the Authority had no assurance that the projects benefited from more than \$1 million spent without adequate support. Further, Majestic Management did not properly perform initial tenant certifications and annual recertifications.

OIG recommended that HUD require the Authority and Majestic Management to support or reimburse the projects for the unsupported payroll costs and improper procurements, reimburse the projects for ineligible payroll costs, and recompute the tenant rent for the households with exceptions. OIG also recommended that Majestic Management be required to improve its controls, train its staff, and repay excessive annual leave. (Audit Report: **2017-KC-1003**)

HUD OIG audited the Chukchansi Indian Housing Authority in **Oakhurst, CA**, regarding its Indian Housing Block Grant program to determine whether the Authority accurately reported and supported its tribal enrollment numbers

as required by HUD. In addition, OIG wanted to determine whether the Authority administered its program funds in accordance with HUD rules and requirements.

The Authority overstated its tribal enrollment numbers on HUD's formula response form used for its 2015 and 2016 program funding. In addition, the Authority did not always adequately support the eligibility of program funds spent and did not process program expenses with complete documentation in accordance with HUD's and its own rules and requirements. As a result, it received more than \$248,000 in excess program funds, awarded more than \$1.7 million in program funds that could not be verified, and spent more than \$500 in program funds without proper supporting documentation.

OIG recommended that HUD recapture the excess program funds from the Authority and require the Authority to ensure the accuracy of and support the tribal enrollment numbers in 2015 and 2016 for the unsupported program funds. In addition, HUD should require the Authority to (1) establish and implement formal written policies and procedures to document the process for obtaining and verifying tribal enrollment numbers, (2) support the eligibility of the unsupported costs or repay the program using non-Federal funds, and (3) implement controls to ensure that all required documentation for future program expenses is complete. (Audit Report: **2017-LA-1007**)

REVIEW OF HUD'S RENTAL ASSISTANCE DEMONSTRATION PROGRAM

HUD OIG audited the Lexington Housing Authority in **Lexington, NC**, regarding its Rental Assistance Demonstration program (RAD) conversion to determine whether the Authority administered its program in accordance with HUD requirements. Specifically, OIG focused on whether the Authority (1) maintained adequate financial records, (2) completed timely annual audits, (3) established a waiting list, and (4) ensured that tenants were properly certified.

The Authority did not maintain auditable books and records, complete timely annual audits, properly establish waiting lists, and ensure that tenants were certified and eligible for RAD project-based voucher assistance. As a result, the Authority disbursed more than \$2.7 million that was not properly supported and spent more than \$5,900 on improper RAD project-based voucher assistance.

OIG recommended that HUD require the Authority to (1) provide documentation for costs or repay the unsupported costs from non-Federal funds, (2) ensure that the Authority completes all outstanding annual audits, (3) repay from non-Federal funds the ineligible RAD rehabilitation assistance expenditures, (4) develop and implement adequate procedures to ensure that its books and records are properly maintained, and (5) properly certify all tenants and reimburse any overages paid. (Audit Report: **2017-AT-1011**)

HUD OIG audited the Housing Authority of DeKalb County in **Decatur, GA**, regarding its RAD conversion and Public Housing Capital Fund program to determine whether the Authority properly administered its RAD conversion and obligated and authorized capital funds in accordance with HUD requirements.

The Authority generally administered its RAD conversion in accordance with HUD's requirements for written agreements, project financing sources, reporting of financial data, the expenditure of HUD funding, tenant occupancy, the calculation of contract rents, and physical conditions assessments. However, it failed to accurately report on the obligation and authorization of its capital funds. Specifically, it inaccurately reported its fiscal year 2015 capital funds as obligated when binding agreements were not executed and caused some of its fiscal year 2016 capital funds to be authorized for a previously completed activity. As a result, more than \$940,000 in capital funds was improperly obligated and authorized.

OIG recommended that HUD require the Authority to (1) deobligate more than \$542,000 in capital funds until binding agreements are executed and reclassify more than \$398,000 in capital funds for eligible and reasonable activities or coordinate with HUD to terminate its capital funds, including more than \$217,000 of its current allocation; (2) provide adequate training to its staff; and (3) develop and implement adequate procedures and controls to ensure accurate reporting on capital funds. In addition, OIG recommended that the Authority confirm that the replacement of program units was appropriate for the number of units demolished at Johnson Ferry East and submit a development proposal to construct new public housing units, transfer public housing assistance to another PHA, or terminate its annual contributions contract and return all unobligated and unspent capital funds to HUD. (Audit Report: **2017-AT-1006**)

INVESTIGATION

Program results

Administrative - civil actions	61
Convictions - pleas - pretrial diversions	61
Financial recoveries	\$5,212,920

TAX PREPARER SENTENCED TO 7 YEARS IN PRISON

A tax preparer was sentenced in U.S. District Court for her role in fraudulently purchasing properties and renting them out under the Section 8 program. The tax preparer was sentenced to 7 years in prison and ordered to pay \$228,727 in restitution, \$107,194 of which is to be paid to a PHA. The fraudster purchased eight single-family residences using the name of her mother or an associate. She subsequently rented these properties to tenants through the PHA's Housing Choice Voucher program while reporting that her mother was the Section 8 landlord for these properties. In addition, the tax preparer used her Section 8 tenants' names and Social Security numbers to file false tax returns to fraudulently receive earned income credit payments. HUD OIG and Internal Revenue Service Criminal Investigation (IRS CI) conducted this investigation. (**San Diego, CA**)

EXECUTIVE DIRECTOR AND SPOUSE SENTENCED FOR KICKBACK SCHEME

A former PHA executive director and her spouse, a PHA maintenance supervisor, were sentenced in U.S. District Court in relation to their earlier guilty pleas to bank fraud and money laundering. The couple solicited and accepted bribes and kickbacks from local contractors, used PHA funds to pay for work at their personal residence, and used the PHA credit cards for personal gain. The executive director was sentenced to 37 months in prison, while the maintenance supervisor was sentenced to 24 months in prison. The couple agreed to forfeit \$732,177 previously seized by the U.S. Government. HUD OIG and IRS CI conducted this investigation. (**Little Rock, AR**)

CHAPTER 4 – MULTIFAMILY HOUSING AND OFFICE OF HEALTHCARE PROGRAMS

In addition to multifamily housing developments and Office of Healthcare Programs properties with U.S. Department of Housing and Urban Development (HUD)-held or HUD-insured mortgages, HUD subsidizes rents for low-income households, finances the construction or rehabilitation of rental housing, and provides support services for the elderly and disabled. Some of the highlights from this semiannual period are shown below.

AUDIT

Strategic Initiative 2: Contribute to the reduction of erroneous payments in rental assistance

Key program results		Questioned costs	Funds put to better use
Audit	10 audits	\$8,067,927	\$23,759,934

REVIEW OF HUD'S MULTIFAMILY SECTION 8 PROGRAM

HUD's Office of Inspector General (OIG) audited HUD's Office of Multifamily Housing Programs to determine whether owners of cooperative housing properties charged more for their Section 8 units than for their non-Section 8 units.

Owners of cooperative housing properties generally charged more for their Section 8 units than for their non-Section 8 units. As a result, in 2016, 25 properties received a taxpayer-funded windfall of more than \$3.1 million for their unsubsidized members.

OIG recommended that HUD create and implement policies and procedures or change program regulations to prevent multifamily housing properties from charging more for Section 8 units than for comparable non-Section 8 units. (Audit Report: **2017-KC-0005**)

HUD OIG audited the multifamily project-based Section 8 program at the Beverly Place Apartments in **Groves, TX**, to determine whether the owner administered its project-based Section 8 program in accordance with HUD regulations and guidance.

The owner did not administer the project-based Section 8 program at Beverly Place in accordance with HUD regulations. It assisted at least 97 tenants who were either ineligible for assistance or whose eligibility could not be supported. As a result, HUD paid the owner more than \$574,000 in subsidies for ineligible tenants and incurred more than \$227,000 in subsidies for which the owner could not support the tenants' subsidy amounts.

OIG recommended that HUD require the Beverly Place owner to (1) repay HUD more than \$574,000 for housing subsidies received for ineligible tenants and (2) support or repay HUD more than \$227,000 for units for which

managers either did not have a tenant file or did not obtain required earned income verification reports to verify eligibility. In addition, HUD should require its contract administrator for Beverly Place to ensure that the owner's recently implemented quality control program is working as designed. (Audit Report: **2017-FW-1009**)

REVIEW OF OFFICE OF HEALTHCARE PROGRAMS

HUD OIG audited Mary Scott Nursing Center in **Dayton, OH**, to determine whether the project's owner and management agents operated the project in accordance with HUD's requirements and the regulatory agreement.

The owner and management agents used project funds for ineligible expenses and did not provide sufficient documentation to support that project funds were used for eligible, reasonable operating expenses or necessary repairs of the project. Further, the owner and management agents (1) did not ensure that rental revenue was collected for the residents, (2) could not provide sufficient documentation to support that the owner received market value for the sale of the operating rights for 10 licensed beds, and (3) were unable to provide documentation to support that the owner received approval from HUD before entering into agreements with the management agents. In addition, the owner did not make payments on the project's mortgage in a timely manner. As a result, nearly \$550,000 in project funds was not available for reasonable or necessary project operations and debt service, HUD and the owner lacked assurance that nearly \$261,000 in project funds was used for eligible, reasonable operating expenses or necessary repairs of the project, and the owner did not receive nearly \$391,000 in rental revenue. Further, HUD is at risk of paying a claim of nearly \$1.6 million on the mortgage.

OIG recommended that HUD require the owner to (1) reimburse the project from nonproject funds for inappropriate disbursements and disposal of resident charges, (2) support disbursements or reimburse the project from nonproject funds, and (3) implement adequate procedures and controls to address the weaknesses cited. OIG also recommended that HUD work with the owner to develop an action plan to prevent a claim on the mortgage. (Audit Report: **2017-CH-1009**)

HUD OIG audited Cypress Meadows Assisted Living in **Antioch, CA**, to determine whether Cypress Meadows was managed in accordance with its regulatory and operating agreements and HUD requirements.

Cypress Meadows was not administered in accordance with its regulatory and operating agreements and HUD requirements. It disbursed nearly \$479,000 for ineligible expenses, was unable to support more than \$65,000 in expenses, and recorded project debt liabilities of nearly \$413,000 for ineligible expenses. Also, Cypress Meadows did not collect nearly \$621,000 in rent from residents and did not deposit more than \$163,000 in lease agreement charges into its bank account. In addition, Cypress Meadows did not make payments on its mortgage and was \$2.8 million delinquent on its Federal Housing Administration-insured loan.

OIG recommended that HUD pursue civil and administrative remedies against the owner and operator of Cypress Meadows and require Cypress Meadows to (1) repay nearly \$544,000 for ineligible and unsupported expenses, (2) remove nearly \$413,000 in improper accrued debt, (3) pay nearly \$621,000 in uncollected rent, (4) pay more than \$162,000 in lease agreement charges not deposited, (5) replace Skyline Crest Enterprises as the operator, and (6) develop written policies and procedures including financial policies for cash disbursements and cash receipts. (Audit Report: **2017-LA-1004**)

REVIEW OF MULTIFAMILY PROPERTIES

HUD OIG audited HUD's resident home-ownership program grant for Lakeview East Cooperative (project) in **Chicago, IL**, to determine whether the Lakeview East Cooperative (Cooperative) and management agent operated the project in accordance with HUD's requirements and HUD's grant agreement with the 707 Tenants' Association.

The Cooperative and management agent did not operate the project in accordance with HUD's requirements and the grant agreement. The Cooperative and management agent did not determine the fair market value of memberships to support that members did not pay more than the fair market value for their memberships and HUD's secured interest in the memberships was appropriately valued. Further, they could not provide sufficient documentation to support that (1) the payments to HUD from initial membership sales were accurate, (2) the Cooperative used its share of the proceeds from initial membership sales in accordance with the grant agreement, and (3) housing was affordable for all members. In addition, they did not ensure compliance with other requirements of the program. As a result, the Cooperative is at risk of having to reimburse HUD more than \$18.1 million.

OIG recommended that HUD require the Cooperative to resolve the issues and implement adequate procedures and controls to address the weaknesses cited and make a preliminary determination as to whether the Cooperative is in default of the grant agreement. (Audit Report: **2017-CH-1006**)

HUD OIG audited Schwenckfeld Manor in **Lansdale, PA**, to determine whether the project owner (1) disbursed project funds for costs that were reasonable, necessary, and supported for the operation and maintenance of the project and (2) properly disclosed identity-of-interest relationships.

The owner of Schwenckfeld Manor (1) may not have disbursed project funds for costs that were supported as reasonable and necessary for the operation and maintenance of the project and (2) did not disclose its identity-of-interest relationships to HUD. Specifically, the owner (1) used project funds to pay nearly \$2.1 million in costs that may have been for its parent company's benefit and the benefit of five other non-HUD housing entities the parent company owned and (2) did not disclose to HUD its related parties as identity-of-interest entities on its management certification and paid nearly \$403,000 in management fees to its parent company instead of the approved management agent for the project.

OIG recommended that HUD require the owner to (1) provide documentation to show that payroll and other direct costs were reasonable and necessary expenses for the operation of the project or repay the project from nonproject funds for any amount that it cannot support; (2) develop and implement controls to ensure that the project complies with the regulatory agreement and applicable HUD requirements; (3) submit a project owner's and management agent's certification for identity-of-interest agents and other required documentation for review and approval; and (4) request retroactive approval of the management fees paid to the parent company and if HUD does not approve the request, repay the project from nonproject funds the amount not approved by HUD. OIG also recommended that HUD pursue civil money penalties and administrative sanctions, as appropriate, against the owner and its parent company and their principals for their part in the violations cited. (Audit Report: **2017-PH-1006**)

HUD OIG audited the Yorkville Cooperative in **Fairfax, VA**, regarding the administration of its HUD-insured property and housing assistance contract to determine whether the Cooperative administered its HUD-insured property and housing assistance contract according to applicable requirements.

The Cooperative did not always administer its HUD-insured property and housing assistance contract in accordance with its regulatory agreement and applicable HUD requirements. Specifically, it (1) did not always obtain the required number of written cost estimates or have documentation to support payments for products and services, including maintenance and repair work on units totaling more than \$1.8 million, and (2) paid nearly \$297,000 for prohibited legal services. It also did not ensure that it correctly calculated housing assistance payments.

OIG recommended that HUD direct the Cooperative to (1) provide documentation to support payments totaling more than \$1.8 million or reimburse the project from nonproject funds for amounts that it cannot support and (2) reimburse the project nearly \$297,000 from nonproject funds for the ineligible legal expenses. Also, from a previous audit report, OIG reopened recommendations that HUD direct the Cooperative to develop and implement procedures to ensure that (1) disbursements made from its operating account are for expenses that are reasonable, necessary, and in accordance with program requirements and (2) housing assistance payments are correctly calculated and supported with the required documentation. (Audit Report: **2017-PH-1003**)

INVESTIGATION

Program results

Administrative - civil actions	5
Convictions - pleas - pretrial diversions	4
Financial recoveries	\$17,809,864

PROPERTY OWNER AND MANAGER SENTENCED FOR FALSIFYING LOAN APPLICATION

A property owner and a former banking executive were sentenced in U.S. District Court after pleading guilty to making false statements on a loan application, counterfeit securities, and conspiracy to commit bank fraud. The two were sentenced to 1 year and 3 years imprisonment, respectively, and ordered to pay \$4.2 million and approximately \$16 million in restitution, respectively. The property owner is also subject to an \$18.2 million forfeiture order. The two conspired to submit a fraudulent loan application with false occupancy rosters for a HUD-backed mortgage on a multifamily housing development. The subjects used embezzled funds to make it appear that units were rented when they were not. After approval of the government-backed mortgage, the development's attendance continued to decline, and the mortgage was conveyed to HUD in default. HUD OIG and the Federal Bureau of Investigation conducted this investigation. (**Waynesville, MO**)

FIVE SENTENCED FOR RENTAL ASSISTANCE SCHEME

Four property managers and a deputy sheriff were sentenced in U.S. District Court for their role in a fraudulent rental assistance scheme. Two of the property managers conspired to enroll tenants into the project-based Section 8 program without their knowledge to receive HUD rental subsidies. The property managers would either collect full rent from the individuals enrolled or would use the victims' information to subsidize a unit occupied by another, paying tenant. The other two property managers at a different multifamily development would keep tenants enrolled in the Section 8 program after they had submitted notices to vacate. This enabled the property to continue to bill HUD for rental subsidies. The property managers also conspired with the deputy sheriff to cash tenants' utility allowance checks through a business account he controlled. The defendants were sentenced to a cumulative total of 102 months imprisonment and ordered to pay a total of \$772,085 in restitution. HUD OIG and U.S. Department of Homeland Security Investigations conducted this investigation. **(Beaumont, TX)**

CHAPTER 5 – COMMUNITY PLANNING AND DEVELOPMENT PROGRAM

The Office of Community Planning and Development (CPD) seeks to develop viable communities by promoting integrated approaches that provide decent housing, suitable living environments, and expanded economic opportunities for low- and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector. Some of the highlights from this semiannual period are shown below.

AUDIT

Strategic Initiative 3: Contribute to the strengthening of communities

Key program results		Questioned costs	Funds put to better use
Audit	32 audits ⁹	\$70,635,326	\$37,791,931

The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), audited the Section 108 Loan Guarantee program, HOME Investment Partnerships program, Special Project and Neighborhood Initiative Congressional Grants, Continuum of Care Program, and Community Development Block Grant (CDBG) program.

SECTION 108 LOAN GUARANTEE PROGRAM

HUD OIG audited HUD's Section 108 Loan Guarantee program to determine whether HUD had adequate oversight of Section 108 loans to ensure that funds were effectively used to meet a CDBG national objective and fully provided the intended benefits and that borrowers complied with loan contract provisions.

HUD's oversight of Section 108 loans was not adequate to ensure that funds were effectively used to meet program objectives and that borrowers complied with loan contract provisions. The Section 108 loans were not routinely included in HUD's annual reviews. Specifically, of 14 loans reviewed, 12 totaling more than \$102 million had not been monitored. For the 12 loans for which adequate oversight was not provided, 2 loans had not fully met a national objective of the CDBG program, 2 loans had unused loan commitments, and the borrower of 1 loan used loan funds for an activity that HUD had not approved. As a result, HUD had no assurance that more than \$24 million in Section 108 loans fully provided the intended benefits and met program objectives and that borrowers complied with program requirements.

OIG recommended that HUD (1) determine the eligibility of more than \$15.8 million in unsupported Section 108 fund disbursements for activities that did not meet a national objective; (2) require borrowers to use more than \$8.6

⁹ The total CPD audits, questioned costs, and funds put to better use amounts include any disaster recovery audits conducted in the community planning and development area (nine audits). The writeups for these audits may be shown separately in chapter 6 of this report.

million in unused commitments to meet program objectives; (3) determine the eligibility of \$75,000 disbursed for an activity without HUD approval; and (4) improve its monitoring policies, procedures, and tracking systems to ensure that borrowers comply with all loan contract provisions and that required documents are submitted. (Audit Report: **2017-AT-0001**)

HOME INVESTMENT PARTNERSHIPS

HUD OIG audited the City of **New Orleans, LA**'s HOME Investment Partnerships program to determine the validity of complaint allegations and whether the City administered its HOME program in accordance with Federal and HUD requirements.

The complaint had merit as the City did not always properly monitor or administer its HOME program in accordance with requirements. For 13 projects reviewed, the City did not ensure that 4 projects had regulatory agreements, preventing the City from enforcing the affordability and other program requirements. For the remaining nine projects, the City did not always ensure that (1) rents remained within rent limits, (2) it performed initial tenant income eligibility certifications, and (3) it conducted property inspections and onsite monitoring visits. In addition, the City did not track or accurately report unit vacancies and properly report and use its program income. As a result, the City failed to protect more than \$7.5 million in HOME funds disbursed; detect nearly \$83,000 in rent overpayments; ensure that affordable housing was available and offered to low-income households; and ensure that program participants lived in decent, safe, and sanitary housing. In addition, the City could not provide HUD with reasonable assurance that it properly managed its HOME program, putting available HOME funds at risk for mismanagement.

OIG recommended that HUD require the City to develop and implement written procedures and take actions to better ensure that it spends more than \$9.3 million in available HOME funds. In addition, OIG recommended that HUD require the City to (1) repay more than \$1.8 million; (2) support or repay more than \$5.8 million; and (3) develop, implement, and revise its written procedures and management controls. (Audit Report: **2017-FW-1012**)

SPECIAL PROJECT AND NEIGHBORHOOD INITIATIVE CONGRESSIONAL GRANTS

HUD OIG audited HUD's administration of Economic Development Initiative – Special Project and Neighborhood Initiative congressional grants to determine whether HUD administered these congressional grants in accordance with its requirements; specifically, whether HUD ensured that grantees executed funded projects in accordance with applicable agreements and requirements.

HUD did not ensure that congressional grant funds were administered in accordance with HUD requirements. Specifically, it did not always ensure that the accuracy of obligated grants and spent grant funds was supported in keeping with HUD requirements and internal policies and procedures. In addition, HUD approved a project that was not eligible for program funding. As a result, more than \$4.1 million in grant funds was unsupported, and \$343,000 in grant funds was spent on an ineligible project.

OIG recommended that HUD (1) support the eligibility of the unsupported costs; (2) require one grantee to repay HUD from non-Federal funds for incurred ineligible program costs; and (3) improve its monitoring of congressional grants through closeout to ensure compliance with grant agreements, objectives, and policies and procedures. (Audit Report: **2017-LA-0006**)

CONTINUUM OF CARE PROGRAM

HUD OIG audited the Travelers Aid Society of Metropolitan **Detroit, MI**'s Continuum of Care program to determine whether Travelers Aid administered its program in accordance with Federal regulations.

Travelers Aid did not always administer its program in accordance with Federal regulations. Specifically, it did not maintain sufficient documentation to support that (1) it met its matching contribution requirement for program-funded projects, (2) program administrative funds were used for eligible administrative expenses associated with the project for which the funds were drawn, (3) program income was used for the project that generated it and for eligible activities, and (4) program funds were used for eligible project expenses for supportive services and leasing. As a result, Travelers Aid is at risk of having to repay HUD more than \$2.1 million due to a lack of sufficient documentation to support that it complied with Federal regulations regarding match contributions. In addition, HUD and Travelers Aid lacked assurance that Travelers Aid used nearly \$171,000 in program income appropriately.

OIG recommended that HUD require Travelers Aid to (1) support that it met its matching contribution requirement associated with the program funds it drew down for supportive services and administrative expenses or reimburse HUD from non-Federal funds as appropriate, (2) support or reimburse HUD from non-Federal funds for the program income for which it did not provide sufficient documentation to support that the funds were used for the project that generated the income and for eligible activities, and (3) implement adequate procedures and controls to address the finding cited. (Audit Report: **2017-CH-1008**)

COMMUNITY DEVELOPMENT BLOCK GRANT

HUD OIG audited the City of **Fresno, CA**'s CDBG program to determine whether the City administered its CDBG funds in accordance with HUD requirements, focusing on code enforcement, antigraffiti, and after school program activities; monitoring; and program income.

The City did not administer its program in accordance with HUD requirements. Specifically it (1) did not meet HUD's code enforcement requirements, (2) spent CDBG funds on general government expenses, (3) did not ensure that one program met a CDBG national objective, (4) did not properly monitor its subrecipient or City departments, (5) used its entitlement funds before its program income, and (6) did not report program income to HUD in a timely manner. As a result, it used CDBG funds for nearly \$164,000 in ineligible costs and more than \$7.9 million in unsupported costs and put more than \$428,000 at risk of similar questionable use over the next year.

OIG recommended that HUD require the City to (1) repay the program from non-Federal funds for the ineligible costs; (2) support the eligibility of the unsupported costs or repay the program from non-Federal funds; (3) suspend funding to its code enforcement program until it can show that it has implemented controls, addressed its capacity issues, and understands and abides by HUD requirements; (4) implement policies and procedures to ensure that CDBG funds are used in accordance with program requirements; and (5) provide training. (Audit Report: **2017-LA-1006**)

HUD OIG audited **Clark County, NV**'s CDBG program to determine whether Clark County followed procurement requirements, ensured that CDBG projects met national objectives, and spent CDBG funds on eligible expenses.

Clark County did not have appropriate controls to ensure that it used CDBG funds in accordance with HUD requirements. Specifically, it (1) did not ensure that it followed HUD procurement requirements, (2) did not ensure that one project met a CDBG national objective, and (3) spent CDBG funds on general government expenses. As a result, it used CDBG funds for nearly \$120,000 in ineligible costs and more than \$4.8 million in unsupported costs and budgeted an additional nearly \$34,000 for an ineligible CDBG activity.

OIG recommended that HUD require Clark County to (1) repay the program nearly \$120,000 for ineligible costs, (2) support the eligibility of more than \$4.8 million, (3) reallocate nearly \$34,000 to an eligible CDBG activity, (4) provide proof that the Americans with Disabilities Act (ADA) pool project meets ADA requirements through a third party or make the pool ADA compliant, (5) update its policies and procedures for monitoring procurement and contracting, and (6) provide training to its staff on program requirements. (Audit Report: **2017-LA-1001**)

HUD OIG audited the City of **Albuquerque, NM**'s CDBG program to determine whether the City administered its CDBG program in accordance with HUD requirements.

The City did not always properly administer and adequately document its CDBG program activities in accordance with HUD requirements. Specifically, it did not always follow procurement and conflict-of-interest requirements and did not ensure that executed written agreements included the required language. It did not comply with environmental reviews of its projects as the environmental records were not completed correctly and lacked supporting documentation. In addition, it did not ensure that expenditures were reasonable, eligible, and adequately supported as it exceeded allowed residential rehabilitation limits, did not reconcile its timesheet activities, and failed to follow Federal travel regulations. Further, it did not maintain documentation supporting that its projects met a national objective and did not adequately monitor or report on its subrecipients' results. As a result, it incurred grant costs of more than \$2.9 million that were ineligible or unsupported and decreased the effectiveness of the CDBG program.

OIG recommended that HUD extend the City's high-risk grantee designation until the City can show that it has implemented an effective program in compliance with all requirements and has repaid the nearly \$1.84 million in ineligible costs and supported nearly \$1.07 million in unsupported costs. (Audit Report: **2017-FW-1010**)

HUD OIG audited the City of **Huntington Park, CA**'s CDBG program to determine whether the City administered its CDBG funds in accordance with HUD requirements, focusing on grant expenditures and procurement.

The City did not administer its program in accordance with HUD requirements. Specifically, it did not (1) meet HUD's code enforcement requirements, (2) follow its own or HUD's procurement procedures, (3) properly support its cost allocations, and (4) ensure that one project met the CDBG national objective. Overall, this activity resulted in the City's spending more than \$7,000 on ineligible costs, not being able to support its use of nearly \$814,000, and putting nearly \$329,000 in CDBG funds at risk for similar questionable use.

OIG recommended that HUD require the City to (1) repay the program more than \$7,000 from non-Federal funds, (2) support the eligibility of nearly \$814,000 in CDBG costs, (3) implement policies and procedures to ensure that nearly \$329,000 in CDBG funds is used in accordance with program requirements, and (4) provide training or obtain technical assistance on CDBG program requirements. (Audit Report: **2017-LA-1005**)

HUD OIG audited HUD's oversight of the disposition of real properties assisted with CDBG funds to determine whether HUD had adequate controls over the disposition of real properties assisted with CDBG funds.

HUD could improve its oversight of the disposition of real properties assisted with CDBG funds. Although HUD's drawdown and reporting system allowed grantees to enter identifying information for assisted properties and its field offices performed risk-based monitoring of grantees, HUD's controls were not always sufficient to ensure that grantees (1) entered addresses of assisted properties into its system, (2) provided proper notice to affected citizens before changing the use of assisted properties, (3) adequately determined the fair market value of assisted properties at the time of disposition, and (4) properly reported program income from the disposition of the properties. Further, HUD did not fully implement guidance related to the applicability of change of use requirements after voluntary grant reductions. As a result, HUD could not track and monitor its interest in the properties and did not have assurance that grantees properly handled changes in use and properly reported program income.

OIG recommended that HUD (1) issue guidance reminding grantees of the requirements to report address information for assisted properties and calculate and report program income related to the disposition of these properties; (2) develop a process to ensure that grantees properly report address information and properly calculate and report program income; (3) require three grantees to provide documentation showing that affected citizens were notified of a change in use of the property for one activity, the fair market value of properties for two activities was supported, and program income for three activities was properly calculated and reported; (4) document the applicability of change of use requirements for one grantee; and (5) issue guidance to clarify the applicability of change of use requirements after voluntary grant reductions. (Audit Report: **2017-NY-0002**)

HUD OIG audited the Office of the Commissioner for Municipal Affairs' (OCMA) **Puerto Rico** State CDBG program to determine whether OCMA effectively used State CDBG funds on a fine arts center that met a national objective of the program and fully provided the intended benefits.

OCMA did not ensure that State CDBG funds used for the construction of San Sebastian's fine arts center project provided the intended benefits and met a national objective of the program. Although the construction of the project began in 1996, the contractor filed for bankruptcy and was not able to finish the project. The bonding company took over the construction of the arts center, but the Municipality did not accept the project because of construction defects. As of March 2017, the project was abandoned and incomplete. As a result, more than \$1 million in State CDBG funds was not effectively used to meet program objectives.

OIG recommended that HUD (1) reevaluate the feasibility of the project to determine the eligibility of the State CDBG funds disbursed and (2) instruct the Office for the Socioeconomic and Community Development to submit a plan for how it will proceed with the fine arts center project. (Audit Memorandum: **2017-AT-1802**)

INVESTIGATION

Program results

Administrative - civil actions	10
Convictions - pleas - pretrial diversions	9
Financial recoveries	\$2,709,357

SIX SENTENCED FOR KICKBACK SCHEME

The former executive director, an employee, and multiple contractors for a city development organization were sentenced in U.S. District Court for their role in a kickback scheme involving HUD CDBG funds. Collectively, the six fraudsters were sentenced to more than 20 years imprisonment and ordered to pay back \$999,683 to the development organization. The executive director, along with other conspirators, engaged in a scheme to defraud the development company by accepting bribes and kickbacks from contractors and an employee based on fraudulently inflated invoices or being awarded work that was not performed. HUD OIG, the Federal Bureau of Investigation, the Social Security Administration OIG, Internal Revenue Service Criminal Investigation, and the U.S. Attorney's Office conducted this investigation. (**Newark, NJ**)

CHAPTER 6 – DISASTER RECOVERY PROGRAMS

In response to disasters, Congress may appropriate additional funding as Disaster Recovery grants to rebuild the affected areas and provide crucial seed money to start the recovery process. Since fiscal year 1993, Congress has appropriated \$49.2 billion to the U.S. Department of Housing and Urban Development (HUD), from which HUD provides flexible grants to help cities, counties, and States recover from presidentially declared disasters. Of the \$48 billion in active disaster grants, the funds have been allocated nationwide, with nearly \$47.7 billion obligated and \$36.3 billion disbursed as of September 30, 2017.

Disaster	Funds allocated	Funds disbursed	Percentage of funds disbursed	Fiscal year funds allocated
Louisiana, Texas & West VA	\$2.9 billion	\$61.2 million	2	2016
Hurricane Sandy	15.1 billion	8.1 billion	54	2013
Hurricanes Ike, Gustav & Dolly	6.1 billion	5.3 billion	86	2008
Hurricanes Katrina, Rita & Wilma	19.7 billion	19.2 billion	98	2006 & 2008
9-11	3.5 billion	3.1 billion	90	2001-2002
Other	799 million	599 million	75	Various

Keeping up with communities in the recovery process can be a challenging position for HUD. HUD's Office of Inspector General (OIG) continues to take steps to ensure that the Department remains diligent in assisting communities with their recovery efforts.

AUDIT

Strategic Initiative 3: Contribute to the strengthening of communities

Key program results		Questioned costs	Funds put to better use
Audit	9 audits ¹⁰	\$20,319,955	\$18,182,015

¹⁰ Disaster-related audits consist of community planning and development audits. The questioned costs and funds put to better use amounts relate only to disaster-related costs.

HUD OIG audited the State of **New York**'s Community Development Block Grant Disaster Recovery (CDBG-DR)-funded Non-Federal Share Match Program to determine whether the State used disaster recovery funds under its program for eligible and supported costs.

The State did not show that disaster recovery funds allocated to its program were used only for eligible and supported costs. Specifically, it did not maintain sufficient documentation to show that nearly \$18.8 million used for four of the six activities reviewed was spent for eligible and supported costs. For example, the State's files did not always contain detailed invoices, proper records to support labor costs, and proof of payment. Further, analysis of the limited documentation maintained by the State showed that nearly \$1.2 million may have been used for ineligible transitional shelter assistance payments. As a result, HUD did not have assurance that the funds were used as intended to assist storm-impacted entities with the cost share associated with other Federal funds and was not used to duplicate other benefits.

OIG recommended that HUD require the State to (1) provide documentation to show that the disaster recovery funds used for the four activities were spent for eligible and supported costs and did not duplicate other benefits or repay from non-Federal funds any amount that it cannot support; (2) implement procedures to ensure that remaining program costs reimbursed with disaster recovery funds are adequately reviewed for eligibility and support, thereby putting nearly \$9 million to better use; and (3) provide training to its staff on applicable HUD and Federal requirements for eligibility, documentation of costs, and duplication of benefits reviews. (Audit Report: **2017-NY-1010**)

HUD OIG audited St. Tammany Parish in **Mandeville LA**, regarding the administration of its CDBG-DR program to determine whether the Parish administered its program in accordance with HUD requirements and in line with its certifications to HUD for its procurement; detection of fraud, waste, and abuse; and website maintenance.

The Parish did not always administer its CDBG-DR program in accordance with HUD requirements and in line with its certifications to HUD. Specifically, it did not (1) support that it performed an independent cost estimate and adequate cost analyses or maintained complete procurement files; (2) maintain a complete monitoring policy and finalize and fully implement its policy to aid in detecting fraud, waste, and abuse or have an internal audit function; or (3) include all required information on its public website. As a result, the Parish (1) could not provide reasonable assurance to HUD that it would properly administer, adequately safeguard, and spend its nearly \$8.68 million in CDBG-DR funds in accordance with requirements and (2) paid more than \$400,000 in questioned costs.

OIG recommended that HUD require the Parish to develop and implement written procedures and take actions that would correct and prevent the deficiencies to better ensure that the Parish spends its nearly \$8.68 million in accordance with program requirements. In addition, OIG recommended that HUD require the Parish to (1) support or repay nearly \$452,000, (2) implement an internal audit function, (3) update its website, (4) fully implement or revise its policies to reflect current procedures, and (5) obtain additional technical assistance from HUD regarding meeting program requirements. (Audit Report: **2017-FW-1004**)

HUD OIG audited the State of **New Jersey**'s CDBG-DR-funded Sandy Homebuyer Assistance program to determine whether the State disbursed disaster funds for its Sandy Homebuyer Assistance program to assist eligible home buyers in accordance with applicable program requirements.

The State did not always disburse disaster funds for its program to assist eligible home buyers in accordance with applicable program requirements. Of 65 home-buyer files reviewed, 12, with loans totaling \$600,000, showed that the home buyers did not meet all program eligibility criteria; therefore, \$558,000 of the \$600,000 disbursed was ineligible. The State also disbursed nearly \$430,000 to nine home buyers in Atlantic County whose income exceeded HUD's low- and moderate-income limits for 2013. As a result, the State's use of nearly \$1 million in program funds to assist 21 home buyers was ineligible because the home buyers did not meet all of the program eligibility requirements.

OIG recommended that HUD direct the State to repay HUD from non-Federal funds for the disaster funds disbursed to the 21 ineligible home buyers. (Audit Report: **2017-PH-1005**)

HUD OIG audited HUD's oversight of disaster grantee procurement processes to determine whether HUD provided sufficient guidance and oversight to ensure that disaster grantees followed proficient procurement processes when purchasing products and services.

HUD did not provide sufficient guidance and oversight to ensure that State disaster grantees followed proficient procurement processes. As a result, HUD lacked assurance that State grantees purchased necessary products and services competitively at fair and reasonable prices.

OIG recommended that HUD (1) clarify that if a State receives a disaster recovery grant and chooses to certify that its procurement process is equivalent to Federal procurement standards, "equivalent" means that its procurement process fully aligns with, or meets the intent of, each of the Federal procurement standards; (2) improve its controls to ensure that appropriate staff adequately evaluates the proficiency of State grantee procurement processes for States that select the equivalency option; (3) clarify and improve its guidance for State grantees to explain what it means to have a procurement process that fully aligns with, or meets the intent of, each of the Federal procurement standards; and (4) provide procurement training and technical assistance to State grantees to ensure that they understand the intent of each of the Federal procurement standards. (Audit Report: **2017-PH-0002**)

INVESTIGATION

Program results

Administrative - civil actions	0
Convictions - pleas - pretrial diversions	21
Financial recoveries	\$208,538

FRAUDSTER ORDERED TO REPAY MORE THAN \$150,000 IN HURRICANE SANDY FUNDS

A Disaster Recovery grant recipient was sentenced in State Superior Court in connection with his earlier guilty plea to theft by deception and unsworn statement falsification. The defendant filed false applications following Hurricane Sandy for the Rehabilitation, Reconstruction, Elevation, and Mitigation Program; the Homeowner Resettlement Program; and Federal Emergency Management Agency (FEMA) assistance to which he was not

entitled. The recipient falsely claimed that the damaged property was his primary residence. The recipient was sentenced to 2 years probation and ordered to pay \$165,471 in restitution. HUD OIG and the New Jersey Attorney General's Office conducted this investigation. **(Point Pleasant Beach, NJ)**

DISASTER RECIPIENT SENTENCED IN RENTAL ASSISTANCE FRAUD SCHEME

A recipient of Hurricane Sandy and Hurricane Irene disaster relief funds was sentenced in U.S. District Court to serve 1 year of home confinement, 36 months of supervised release, and 100 hours of community service in connection with his earlier guilty plea to fraud in connection with a major disaster or emergency benefits. The defendant was ordered to pay \$62,100 in restitution. The recipient applied for rental assistance from FEMA, claiming that as a result of damage done to his home during Hurricanes Irene and Sandy, he was displaced and had to seek another residence. In reality, his home was not damaged. In addition, the recipient was a Section 8 tenant and as such, received the benefit of Section 8 assistance at the same time he received FEMA funds under its Housing Assistance Program. HUD OIG and the U.S. Department of Homeland Security OIG conducted this investigation. **(Spring Valley, NY)**

EVALUATION

HUD'S INTERNAL AUDIT REQUIREMENT FOR DISASTER RELIEF APPROPRIATIONS ACT OF 2013 GRANTEEES

HUD OIG examined whether and to what extent grantees were implementing the Office of Community Planning and Development's (CPD) internal audit requirement. CPD manages disaster grants and provides monitoring and technical assistance for grantees to ensure that they comply with HUD and Federal requirements. To ensure that grantees perform and deliver on the terms of the disaster grants, CPD requires disaster grantees to establish an internal audit activity. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

OIG found that (1) CPD's guidance for implementing the internal audit requirement was vague and (2) CPD's level of interaction with disaster grantees concerning the internal audit requirement was inconsistent. OIG recommended that CPD provide clearer guidance and instruction to Public Law 113-2 disaster grantees to assist them in establishing an effective internal audit activity. Such guidance would benefit future disaster grantees required to establish an internal audit activity. OIG also recommended that CPD establish a recurring training and discussion forum between the Public Law 113-2 grantees and CPD that enables grantees to share ideas and receive guidance and information about CPD's expectations regarding the internal audit requirement. (Evaluation Report: **2016-OE-0011S**)

NAVIGATING THE DISASTER ASSISTANCE PROCESS

OIG identified challenges that citizens (homeowners and businesses) may encounter as they attempt to navigate the process for receiving disaster assistance. The disaster assistance process is an indirect path that is not always seen as orderly and systematic for citizens to navigate. The path is not linear, and citizens may start at various points within the disaster assistance process. Moreover, citizens may encounter challenges throughout the disaster navigation process related to potential duplication of benefits, slow disbursement of disaster funding, and delays in funding for low- and moderate-income citizens. (Evaluation Report: **2017-OE-0002S**)

CHAPTER 7 – OTHER SIGNIFICANT AUDITS AND EVALUATIONS

AUDIT

Strategic Initiative 4: Contribute to improving HUD’s execution of and accountability for fiscal responsibilities as a relevant and problem-solving advisor to the Department

Key program results		Questioned costs	Funds put to better use
Audit	6 audits	\$1,765,615	\$3,247,078

The U.S. Department of Housing and Urban Development, Office of Inspector General’s (HUD OIG) more significant audits are discussed below.

AUDIT OF HUD’S PROCESS FOR FORGIVING DEBTS AND TERMINATING DEBT COLLECTIONS

HUD OIG audited HUD’s process for forgiving debts and terminating debt collections to determine whether HUD complied with applicable requirements when forgiving debts and terminating debt collections.

HUD did not always follow applicable statutory, regulatory, and policy requirements when forgiving debts and terminating debt collections. Specifically, HUD terminated debt collections and forgave debts without ensuring that required collection actions were taken and that U.S. Department of Justice (DOJ) approval was obtained when required. As a result, HUD officials stopped debt collections and effectively disposed of government receivables totaling nearly \$4.5 million without appropriate authorization.

OIG recommended that HUD (1) take appropriate steps to establish eligibility for collection termination or compromise for 10 debts totaling more than \$1.2 million and reinstate debts with available means of collections and (2) conduct a complete analysis of existing procedures to strengthen controls over debt collection, including HUD’s Treasury Reports of Receivables reporting, resulting in funds to be put to better use of more than \$3.2 million. Controls should include additional procedures for ensuring that DOJ approval is obtained when required, all appropriate means of collection have been pursued, and all closed debts are tracked and were properly authorized for collection termination or forgiveness. (Audit Report: **2017-LA-0005**)

AUDIT OF THE IMPROPER PAYMENTS ELIMINATION AND RECOVERY ACT OF 2010

HUD OIG audited HUD’s fiscal year 2016 compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA).

For the fourth consecutive fiscal year, HUD did not comply with IPERA. Of the six compliance determination requirements, HUD complied with four and did not comply with the remaining two. HUD also did not comply with IPERA in fiscal years 2013, 2014, and 2015. Specific areas of noncompliance for fiscal year 2016 were related to

HUD's failure to (1) conduct an annual risk assessment in accordance with Office of Management and Budget (OMB) guidance and (2) meet its annual improper payment reduction target. This was the same issue noted in OIG's fiscal year 2015 audit report. Additionally, OIG again found similar issues in fiscal year 2016 concerning (1) the completeness and reliability of HUD's improper payment data reporting, including payment recapture audit plans, and (2) the reliability of HUD's improper payment estimate for its Rental Housing Assistance Programs.

OIG made five new recommendations to address new issues identified, which should help remediate issues identified in HUD's payment recapture audit plans and reporting of improper payment information in its agency financial report. (Audit Report: **2017-FO-0006**)

AUDIT OF HUD'S TRANSITION TO NEW CORE FINANCIAL MANAGEMENT

HUD OIG audited the functionality of HUD's New Core Financial Management Solution to determine whether effective business processes and interface processing controls were in place for the New Core Financial Management Solution.

Transaction processing using the New Core Financial Management Solution had improved, but challenges and weaknesses remained. Specifically, (1) transactions were inaccurately posted to the general ledger, and weaknesses still existed with transaction processing; (2) HUD had not completed reconciling the differences between the subledgers and the general ledger; and (3) the New Core Interface Solution (NCIS) reconciliation tool was not effective.

OIG recommended that HUD update yearend closing procedures, implement a data validation process for crosswalk entries, improve the subledger reconciliation process and resolve unreconciled differences, revise the NCIS reconciliation status of funds report, and resolve the data reconciliation differences identified between HUD's Centralized Accounting and Program System and Oracle Financials. (Audit Report: **2017-DP-0003**)

EVALUATION

FEDERAL AUDIT EXECUTIVE COUNCIL IT SUBCOMMITTEE FISMA MATURITY MODEL DEVELOPMENT

HUD OIG continued its collaboration with CIGIE and the Federal Audit Executive Council IT Subcommittee by participating in the ongoing development of the maturity models for the Federal Information Security Modernization Act (FISMA) Inspector General metrics. The maturity models allow OMB to measure and report Federal agency cybersecurity more consistently. The maturity models have replaced the Inspector General (IG) FISMA metrics for the fiscal year 2017 FISMA assessments of Federal agencies. HUD OIG was one of only a handful of IG offices to maintain an ongoing volunteer to help develop and update these models.

OFFICE OF HEALTHCARE PROGRAMS: THE OFFICE OF RESIDENTIAL CARE FACILITIES' USE OF REAL ESTATE ASSESSMENT CENTER SCORES

A complainant from within HUD stated that some residential care facilities (RCF) had received very low physical condition inspection scores. Between June 2016 and March 2017, at least 10 RCFs scored 31 or below, out of a possible 100. In response, HUD OIG assessed inspection scores of RCFs and examined how HUD's Office of Residential Care Facilities (ORCF) oversees the physical condition of RCFs.

OIG found that the majority of RCFs that received a score scored at least 80 on their last inspection and only a small percentage of RCFs scored below 31. However, OIG noticed an overall decline in Real Estate Assessment Center (REAC) inspection scores across ORCF's portfolio from 2000 to 2016. Additionally, OIG found that inspections of RCFs had not always been timely. Finally, OIG found that HUD used a standardized inspection process that did not account for unique conditions present in RCFs, particularly window restrictions used for patients with Alzheimer's or dementia. As a result, HUD was deducting points from RCFs that had these safety features and potentially instructing these RCFs to remove the safety features.

OIG recommended that ORCF (1) identify and implement a method to ensure that eligible RCFs in its portfolio receive database adjustments when appropriate under local code, either by working directly with REAC or by instructing RCFs to apply for adjustments themselves, and (2) identify and implement a method that ensures the expeditious followup inspections of RCFs that have not been inspected in a timely manner after receiving their last below-60 REAC score. Finally, OIG recommended that REAC identify and implement a method to ensure that HUD does not instruct facilities to negate safety features. As an interim measure during its fieldwork, OIG issued a management alert that also related to these instructions. (Evaluation Report: **2017-OE-0011**)

OFFICE OF FIELD POLICY AND MANAGEMENT: ASSESSING HUD PLANS FOR EVALUATING URBAN PROMISE ZONES AND HUD GRANT PROGRAMS PARTICIPATING IN THE PROMISE ZONES

HUD OIG assessed the Office of Field Policy and Management's (OFPM) plans for overseeing the promise zones as well as the 11 HUD grant programs participating in the promise zone initiative. This initiative was created by OMB in 2014. Promise zones were high poverty communities where the Federal Government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and address other priorities identified by the community. OIG made three findings concerning OFPM's need to evaluate HUD's implementation of, participation in, and contributions to the promise zone initiative. OIG made six recommendations to improve data reporting and evaluation of HUD's implementation of the initiative. (Evaluation Report: **2016-OE-0010**)

MANAGEMENT ASSISTANCE REVIEW

HUD OIG management assistance reviews provide the quality assurance mechanism, which ensures that OIG's audit, evaluation, investigative, administrative, and other operations follow established standards, policies, and procedures. Management assistance review reports are issued to OIG management to recommend improvements in management and operations. During this 6-month period, OIG reported on the information technology, Washington, DC, information security and control activities (Evaluation Report: **2017-OE-MAR4**) and the Financial Audit Division, Washington, DC, audit activities (Evaluation Report: **2017-OE-MAR6**).

CHAPTER 8 – JOINT CIVIL ACTIONS

In recent years, the U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), has enhanced its efforts to identify and investigate civil fraud and pursue civil actions and administrative sanctions, frequently combining efforts from its multiple disciplines to create teams of auditors, special agents, attorneys, and data analysts to conduct civil investigations. The central hub to these efforts is HUD OIG's Joint Civil Fraud Division, a distinct team of forensic auditors and special agents dedicated to investigating fraud and pursuing civil and administrative remedies.

HUD OIG's joint civil fraud teams work closely with the U.S. Department of Justice (DOJ), U.S. Attorney's Offices, HUD's Office of General Counsel, and local prosecutors to pursue civil remedies under a variety of statutes and regulations, including the False Claims Act; Program Fraud Civil Remedies Act; and Financial Institutions Reform, Recovery, and Enforcement Act. HUD OIG also works with HUD's Departmental Enforcement Center to pursue debarments, suspensions, and limited denials of participation when appropriate.

HUD OIG's internal joint efforts, in conjunction with partnerships with other enforcement groups, result in civil outcomes that are meant to help HUD recover from unwarranted damages sustained due to fraud. Some of the highlights from this semiannual period, resulting from these joint civil fraud efforts, are noted below.

Strategic Initiative 1: Contribute to the reduction of fraud in single-family insurance programs

Program Results

Recoveries and receivables to HUD programs or HUD program participants	\$88,450,000
Recoveries and receivables for other entities	\$71,901,944
Recommendations that funds be put to better use	\$0
Civil actions	5

SINGLE FAMILY

HUD OIG assisted DOJ and the U.S. Attorney's Offices, District of New Jersey, District of Minnesota, and Southern District of Florida, in the civil investigation of PHH Corporation, PHH Mortgage Corporation (PHHMC), and PHH Home Loans, LLC (PHHHL), collectively referred to as PHH. PHH was a direct endorsement lender having its principal place of business in **Mount Laurel, NJ**.

On August 3, 2017, PHH entered into a settlement agreement with the Federal Government to pay \$65 million in a combined settlement amount. The United States attributed \$45.5 million to PHHMC and \$19.5 million to PHHHL. PHH agreed that it engaged in certain conduct related to Federal Housing Administration (FHA)-insured mortgages in connection with PHHMC's and PHHHL's origination, underwriting, endorsement, and quality control of single-family residential mortgage loans insured by FHA between January 1, 2006, and December 31, 2011, that resulted

in claims for payment submitted to FHA on or before June 30, 2013. The settlement agreement was neither an admission of liability by PHH nor a concession by the United States that its claims were not well founded.

As a result of PHH's conduct and omissions, HUD insured loans approved by PHH that were not eligible for FHA mortgage insurance under the direct endorsement program and that HUD would not otherwise have insured. HUD incurred substantial losses when it paid insurance claims on these loans. Of the total \$65 million settlement, HUD FHA will receive \$42.6 million. (Memorandum: **2017-CF-1806**, Joint Civil Fraud Division and Office of Investigation Regions 3, 4, and 5)

HUD OIG assisted DOJ, Washington, DC, and the U.S. Attorney's Office for the Middle District of Florida in a civil investigation of Financial Freedom Acquisition, a division of CIT Bank, N.A. Financial Freedom was originally owned by IndyMac Bank until its failure in 2008, when the Federal Deposit Insurance Corporation was appointed as conservator. On March 18, 2009, OneWest Bank, N.A., based in **Pasadena, CA**, acquired the assets of Financial Freedom. On August 3, 2015, CIT Group acquired OneWest Bank, including Financial Freedom. The home equity conversion mortgage (HECM) servicing operations for Financial Freedom were located in **Austin, TX**.

On May 16, 2017, Financial Freedom entered into a settlement agreement with the Federal Government to pay nearly \$68.3 million to avoid the delay, uncertainty, inconvenience, and expense of lengthy litigation. Financial Freedom also had paid HUD more than \$21 million related to the covered conduct through HUD's Supplemental Claims system, for a total settlement value of nearly \$89.3 million. The Federal Government alleged that Financial Freedom sought to obtain insurance payments for debenture interest from HUD and did not disclose on the insurance claim forms that the lender was not eligible for such interest payments. The settlement was neither an admission of liability by Financial Freedom nor a concession by the United States that its claims were not well founded.

As a result of Financial Freedom's conduct, lenders on relevant HECMs obtained additional debenture interest that they were not entitled to receive. HUD incurred substantial losses when it paid additional debenture interest on HECM claims on the loans covered by the settlement agreement. Of the nearly \$89.3 million settlement, FHA received \$41 million, and the remaining amount was paid to other Federal entities. (Memorandum: **2017-CF-1804**, Office of Investigation Region 6 and Joint Civil Fraud Division)

HUD OIG assisted DOJ, Washington DC, and the U.S. Attorney's Offices of the Northern District of Georgia and Northern District of California in the civil investigation of Prospect Mortgage, LLC, **Sherman Oaks, CA**.

Based in part on OIG's review, the Federal Government alleged that Prospect violated the False Claims Act when it originated and underwrote FHA mortgage loans that did not meet applicable requirements. The Federal Government also alleged that Prospect did not maintain a quality control program that complied with requirements. On June 30, 2017, Prospect entered into a settlement agreement with the Federal Government to pay \$4.157 million to avoid the delay, uncertainty, inconvenience, and expense of lengthy litigation. Of the total settlement of \$4.157 million, HUD FHA was to receive \$2.93 million, and the remaining funds will be paid to other Federal entities. (Memorandum: **2017-AT-1801**, Office of Audit Region 4, Joint Civil Fraud Division, and Office of Investigation Regions 1-2, 4, and 9)

HUD OIG assisted DOJ and the U.S. Attorney's Office for the Southern District of New York in a civil investigation of Residential Home Funding Corp. Residential Home is an FHA-approved mortgage lender having its principal place of business in **White Plains, NY**.

On September 18, 2017, Residential Home entered into a settlement agreement with the Federal Government to pay \$1.67 million. Residential Home endorsed FHA mortgage insurance loans that did not meet the underwriting requirements. Between 2004 and 2012, Residential Home knowingly (1) submitted or caused to be submitted to HUD false claims for FHA insurance for loans that were ineligible for FHA insurance, (2) submitted false annual certifications to HUD attesting to compliance with direct endorsement program rules, and (3) submitted false individual loan certifications to HUD attesting that certain loans were eligible for FHA insurance. Also, Residential Home did not maintain a quality control program that complied with HUD requirements. (Memorandum: **2017-CF-1807**, Joint Civil Fraud Division and Office of Investigation Region 1-2)

CHAPTER 9 – LEGISLATION, REGULATIONS, AND OTHER DIRECTIVES

Reviewing and making recommendations on legislation, regulations, and policy issues is a critical part of the Office of Inspector General's (OIG) responsibilities under the Inspector General Act. During this 6-month reporting period, OIG has committed more than 420 hours to reviewing 115 issuances. The draft directives consisted of 70 notices, 7 mortgagee letters, and 38 other directives. OIG provided comments on 30 (or 26 percent) of the issuances and nonconcurred on 6 but lifted 4 nonconcurances. Of the 38 other directives, OIG reviewed 4 (proposed, interim, and final) rules, 24 handbooks, 1 legislative referral memorandum, and 9 congressional and annual reports. OIG had no position on the 4 rules. A summary of selected reviews for this 6-month period is included below.

NOTICES, POLICY ISSUANCES, AND FINAL RULES

SINGLE-FAMILY HOUSING

Housing counseling – On May 31, 2017, HUD published a notice of availability of the U.S. Department of Housing and Urban Development (HUD) Certified Housing Counselor Examination. This notice follows publication of the Housing Counseling: New Certification Requirements final rule, issued on December 14, 2016, which requires that HUD announce the availability of the Certified Housing Counselor Examination and start the 36-month period for individuals and housing counseling agencies to come into compliance with the final rule's certification requirements. The final rule also noted that HUD would provide notice of any changes to the cost of the Certified Housing Counselor Examination. Through this notice, HUD is announcing that the HUD Certified Housing Counselor Examination will be available starting on August 1, 2017, and that as of August 1, 2020, housing counseling required by or provided in connection with HUD programs may be provided only by HUD-certified housing counselors working for participating agencies approved to provide such housing counseling by HUD's Office of Housing Counseling. This notice also announces a reduction in the cost of the Certified Housing Counselor Examination.

Home Equity Conversion Mortgage – On January 19, 2017, the Federal Housing Administration (FHA) published the final rule, strengthening the Home Equity Conversion Mortgage (HECM) program. On August 24, 2017, HUD issued Mortgagee Letter 2017-11 to highlight requirements specifically related to servicing functions that were published in the final rule and support lenders in successfully implementing the rule's servicing requirements, which take effect for all case numbers assigned on or after September 19, 2017.

Mortgage insurance premium – On August 29, 2017, HUD issued Mortgagee Letter 2017-12, communicating the revised initial and annual mortgage insurance premium (MIP) rates and principal limit factors for all HECMs. The initial MIP rate is changed to 2 percent of the maximum claim amount. The initial MIP rate is applicable to all borrowers and is no longer associated with disbursements made on or on behalf of the borrower at closing or during the first 12-month disbursement period. The annual MIP is changed to .5 percent of the outstanding mortgage balance.

PUBLIC AND INDIAN HOUSING

Rental Assistance Demonstration – Notice of Increase in Cap and Rent Setting – On August 23, 2017, HUD published a notice, which addresses the increase in the number of public housing units that may be awarded

competitively under HUD's Rental Assistance Demonstration (RAD). On May 5, 2017, the 2017 Appropriations Act amended the RAD statute by increasing the unit cap from 185,000 units to 225,000 units and extending the period for project applications until September 30, 2020. This notice serves as notification to public housing agencies (PHA) that have submitted letters of interest to reserve their position on the RAD waiting list, showing that they are eligible for award under this expansion if they submit a completed RAD application, portfolio award, or multiphase award for the number of units identified in their letter of interest within 60 days of the publication of this notice. The awards are subject to existing eligibility and selection criteria as HUD is not changing such criteria with this notice. For commitments to enter into housing assistance payments contracts issued beyond the 185,000-unit cap (that is, between 185,001 and 225,000 units) and for any replacement awards made as a result of revocations or withdrawals that occur after May 5, 2017, HUD will use rent levels based on fiscal year 2016 public housing funding levels (fiscal year 2016 RAD rent base year). Finally, for all existing and future multiphase awards, this notice modifies the latest possible date for PHAs to submit an application for the final phase of the project covered by the multiphase award to September 30, 2020.

MULTIFAMILY HOUSING

Delayed implementation of the Capital Needs Assessments eTool – On April 19, 2017, HUD published Housing Notice H-2017-04, which amends Housing Notice H-2016-18 by delaying the implementation date for the New Capital Needs Assessment (CNA) eTool. Such a delay ensures that users have adequate time to familiarize themselves with the updated tool. The broad objectives of the CNA eTool reflect both diligence and capital planning purposes, as well as the speed, efficiency, consistency, and accuracy achievable from automated systems.

Indefinite deferral of implementation of the small building risk sharing initiative – On May 1, 2017, HUD published Federal Register Notice FR-6017-N-01, which advises the public that HUD is deferring implementation of the Small Building Risk Sharing Program, which was to facilitate the financing of small multifamily properties authorized by section 542(b) of the Housing and Community Development Act of 1992. While applications were received under the July 2015 final notice, HUD did not implement the program. In addition, it is not clear whether the program is still needed under current economic conditions. HUD, therefore, indefinitely defers the applicability of the final notice implementing the program and will not accept additional applications at this time.

Property inspection-preservation collection of Mark to Market program information – On July 12, 2017, HUD published Federal Register Notice FR-6001-N-19, which requires the collection of information regarding multifamily properties, and such information will be used to determine the eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which such participation should occur, as well as to process eligible properties from acceptance into the program through closing of the mortgage restructure in accordance with program guidelines. The result of participation in the program is the refinancing and restructure of the property's FHA-insured mortgage and, generally, the reduction of Section 8 rent payments and establishment of adequately funded accounts to fund required repair and rehabilitation of the property.

Adoption of methodology changes for estimating fair market rents – On September 1, 2017, HUD published Federal Register Notice FR-6021-N-02, which adopts HUD's May 26, 2017, proposed material changes to the methodology for estimating fair market rents (FMR) and notifies interested parties that fiscal year 2018 FMRs are available at www.huduser.gov. The primary uses of FMRs are to determine (1) payment standards for the Housing Choice Voucher program, (2) initial renewal rents for some expiring project-based Section 8 contracts, and (3) initial rents for housing assistance payments contracts in the Moderate Rehabilitation Single Room Occupancy program and (4) to serve as rent ceilings for rental units in both the HOME Investment Partnerships program and the Emergency Solutions Grants program. HUD also uses FMRs in the calculation of maximum award amounts for Continuum of Care Program grantees and in the calculation of flat rents for public housing units. This notice also describes the

methods used to calculate the fiscal year 2018 FMRs and enumerates the procedures for PHAs and other interested parties to request reevaluations of their FMRs as required by the Housing Opportunities Through Modernization Act of 2016.

COMMUNITY PLANNING AND DEVELOPMENT

Housing Trust Fund – On June 23, 2017, HUD published the funding awards totaling more than \$219.1 million for the Housing Trust Fund. The Fund was created by Section 1131 of the Housing and Economic Recovery Act of 2008. The amount included more than \$12.7 million in unobligated fiscal year 2016 funds.

Waivers – On June 28, 2017, HUD published a notice of the waivers it granted from January 1 through March 31, 2017. HUD granted waivers to the Cities of Daly City, CA, and Sacramento, CA, both participating jurisdictions under the HOME program, to establish maximum monthly allowances for utilities and services (excluding telephone) and to update their utility allowances annually. HOME requirements for establishing utility allowances conflict with HUD regulations prohibiting the use of utility allowances established by local PHAs for HOME-assisted rental projects for which HOME funds were committed on or after August 23, 2013. In granting the waiver, HUD recognized that it was not possible to use two different utility allowances to set rents for a single unit.

Disaster funding – Effective August 7, 2017, HUD published a notice to announce an additional funding allocation of \$400 million for 2015 and 2016 disasters (Public Law 115-31). The notice announced the allocation of an additional \$342.2 million in disaster funding to 13 grantees. At least 80 percent of the additional funding is required to be used to address unmet needs within the HUD-identified “most impacted and distressed” areas within the grantees’ jurisdictions. The State of Louisiana, the City of Moore, OK, and the State of New York were provided with waivers to reduce the overall low- and moderate-income benefit requirements and to exclude Community Development Block Grant Disaster Recovery expenditures on Rebuild by Design from the calculation of overall low- and moderate-income benefit. The notice also extended the expenditure deadline for National Disaster Resilience grantees to September 30, 2022. The previous expenditure deadline was within 2 years of the date on which HUD obligated the funds to the grantee, unless an extension was requested by the grantee and approved by HUD.

ADMINISTRATIVE-OTHER

Final rule and adjustment of civil monetary penalty amounts for 2017 – On May 30, 2017, HUD published a final rule, FR-5942-F-02, which makes final the interim final rule, published on June 15, 2016, to amend HUD’s civil monetary penalty (CMP) regulations. The interim final rule applied a new methodology to calculate CMP amounts as mandated by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, starting with a “catch up” adjustment to correct previous inaccuracies; removed three obsolete CMP provisions; and made a technical change to the existing codified regulation implementing the Program Fraud Civil Remedies Act. The changes from the interim final rule made final by this final rule continue to be effective as of August 16, 2016. In addition, this rule provides for 2017 inflation adjustments of CMP amounts required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and makes three technical amendments and a conforming statutory change.

Revision of Freedom of Information Act regulation – correction – On May 10, 2017, HUD published Federal Register Notice FR-5986-C-02, which makes corrections to the previous final rule and minor technical changes. On January 12, 2017, HUD issued a final rule amending HUD’s Freedom of Information Act (FOIA) regulation to

implement the FOIA Improvement Act of 2016, which enacted a range of procedural changes, including a change to the procedures for withholding information and an amendment to one of the nine FOIA exemptions that authorizes an agency to withhold various records from disclosure. After publication, HUD discovered that a portion of the regulation was not published as intended. Specifically, the published rule deleted several of the nine statutory FOIA disclosure exemptions and duplicated another. HUD also noticed minor technical changes required elsewhere in its regulations. This document corrects HUD's January 12, 2017, final rule and makes the minor technical changes.

Reducing regulatory burden; enforcing the regulatory reform agenda under Executive Order 13777 – On May 15, 2017, HUD published Federal Register Notice FR-6030-N-01, which states that it is reviewing its existing regulations to assess their compliance costs and reduce regulatory burden. As required by Executive Order 13777, HUD is in the process of establishing a Regulatory Task Force charged with identifying agency regulations that should be repealed, replaced, or modified. As part of this review, HUD invites public comments to assist in identifying existing regulations that may be outdated, ineffective, or excessively burdensome.

Grants management – In May 2017, HUD OIG reviewed an updated Grants Management Handbook, which implements HUD's administration of grants and cooperative agreements. This handbook gives HUD program and administrative offices a uniform set of requirements that staff must follow to fully implement Office of Management and Budget directives, Federal statutes, and regulations throughout the grant life cycle. This handbook revised HUD Grants Handbook 2210.17, REV-2 (January 23, 1992), and replaced HUD Directives System Handbook 000.2. OIG nonconcurred on two main issues. The first issue concerned responsibilities that did not apply to HUD OIG. In the section concerning HUD OIG's responsibilities that may impact the administration of HUD grants, there were two functions listed that did not apply to HUD OIG. These functions were (1) oversees the work of non-Federal auditors performed with Federal programs and (2) processes exclusions based on the Social Security Act and implementing regulations at 42 CFR (Code of Federal Regulations) Part 1001. The Office of Strategic Planning and Management (OSPM) agreed and removed those two functions. OIG's second nonconcur item concerned requirements on subrecipient monitoring. Specifically, OIG took issue with direct language that HUD has no relationship or responsibility for subrecipients since it is contrary to HUD's governance and oversight of Federal funds. OSPM agreed and revised the section on subrecipient monitoring to reflect the monitoring responsibilities HUD has with managing and administering Federal awards. The handbook was issued July 25, 2017.

CONSUMER ADVISORIES AND ALERTS

As a way to assist in fraud prevention, OIG issues consumer advisories and alerts, as well as industry advisories and bulletins, on its website, www.hudoig.gov. The intent of these publications is to provide information about the risks and illegal activities associated with certain products and services. These advisories are intended to ensure that industry professionals as well as consumers are well informed of the perils associated with emergent frauds and other illegal activities that jeopardize the integrity of otherwise legitimate programs. During this semiannual period, OIG issued one disaster fraud alert, which is summarized below.

Hurricane Fraud (issued September 22, 2017) – HUD and OIG warned everyone affected by Hurricanes Harvey, Irma, and Maria to be alert for fraud schemes that commonly occur following a disaster. The alert warns individuals to protect themselves from fraudsters who will take advantage of the confusing nature of information after a major disaster.

CHAPTER 10 – AUDIT RESOLUTION

In the audit resolution process, Office of Inspector General (OIG) and U.S. Department of Housing and Urban Development (HUD) management agree upon needed actions and timeframes for resolving audit recommendations. Through this process, OIG strives to achieve measurable improvements in HUD programs and operations. The overall responsibility for ensuring that the agreed-upon changes are implemented rests with HUD managers. This chapter describes audit reports issued before the start of the period that do not have a management decision, have significantly revised management decisions, or have significant management decisions with which OIG disagrees. It also provides a status report on HUD's implementation of the Federal Financial Management Improvement Act of 1996 (FFMIA). In addition to this chapter on audit resolution, see appendix 3, table B, "Significant Audit Reports for Which Final Action Had Not Been Completed Within 12 Months After the Date of the Inspector General's Report."

AUDIT REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AS OF SEPTEMBER 30, 2017

ADDITIONAL DETAILS TO SUPPLEMENT OUR REPORT ON HUD'S FISCAL YEARS 2013 AND 2012 (RESTATED) FINANCIAL STATEMENTS, ISSUE DATE: DECEMBER 16, 2013

HUD OIG audited the Office of Public and Indian Housing's (PIH) implementation of U.S. Treasury cash management regulations as part of the annual audit of HUD's consolidated financial statements for fiscal years 2013 and 2012. OIG found that HUD's implementation of the new cash management process for the Housing Choice Voucher program departed from the U.S. Department of the Treasury's cash management requirements and Federal generally accepted accounting principles (GAAP). HUD OIG also reported that there were not sufficient internal controls over the process to ensure accurate and reliable financial reporting. The weaknesses in the process failed to ensure that material financial transactions were included in HUD's consolidated financial statements and allowed public housing agencies (PHA) to continue to hold Federal funds in excess of their immediate disbursing needs, which is in violation of Treasury cash management regulations.

The OIG report included a recommendation (2C) that HUD PIH implement a cost-effective method for automating the cash management process to include an electronic interface of transactions to the United States Standard General Ledger (USSGL).

HUD issued three proposals to address recommendation 2C. However, OIG rejected all three proposals because they were too vague and did not include a high-level plan showing the actions PIH will take until the final action date to implement corrective action. Further, the proposals included several contingencies from which OIG cannot determine whether PIH is making progress in addressing the recommendation.

This issue was referred to the Assistant Secretary on June 19, 2014, and September 30, 2014, but as of March 31, 2015, a new proposal had not been made. Therefore, this issue was referred to the Deputy Secretary on March 31, 2015. OIG met to brief the Deputy Secretary's staff on the subject on April 20, 2015. On August 24, 2016, PIH indicated that in coordination with the Office of the Chief Information Officer (OCIO), plans were being developed to address the recommendation. However, PIH still has not provided a management decision, and it is difficult to determine whether or when these new systems will be implemented. OIG followed up with PIH and OCIO on September 19, 2017, about entering a management decision to reflect current plans, but as of September 30, 2017, OIG had not received a response. (Audit Report: **2014-FO-0003**)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC, IMPROPER PAYMENTS ELIMINATION AND RECOVERY ACT OF 2010, ISSUE DATE: APRIL 15, 2014

HUD OIG audited HUD's fiscal year 2013 compliance with the Improper Payments Information Act of 2002 as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA). OIG found that HUD did not comply with IPERA reporting requirements because it did not sufficiently and accurately report its (1) billing and program component improper payment rates; (2) actions to recover improper payments; (3) accountability; or (4) corrective actions, internal controls, human capital, and information systems as required by IPERA. In addition, HUD's supplemental measures and associated corrective actions did not sufficiently target the root causes of its improper payments because they did not track and monitor processing entities to ensure the prevention, detection, and recovery of improper payments caused by rent component and billing errors, which are root causes identified by HUD's contractor studies.

The OIG report included several recommendations that required the Office of Chief Financial Officer (OCFO) to work with PIH and the Office of Multifamily Housing Programs to ensure sufficient and accurate IPERA reporting in its agency financial report (AFR). The report also recommended that OCFO conduct a current billing study and, if not performed annually in future years, report the reason for this in the AFR and update the previous study to reflect program and inflationary changes. Similarly, the report recommended a study to assess improper payments arising from the Housing Choice Voucher program. Finally, the report also recommended that OCFO report on multifamily, public housing, and Section 8 program improper payment rates separately in the AFRs.

Initially, OCFO disagreed with several of OIG's recommendations, citing (1) funding issues in conducting current billing studies, which it believes do not produce tangible results; (2) disagreement on the need to determine whether improper payments exist as the result of changes in the funding of the Housing Choice Voucher program; and (3) management's position that formal policies and procedures for the IPERA reporting process are not necessary. OIG generally disagreed with OCFO's management decisions because they disregarded IPERA reporting requirements and Office of Management and Budget (OMB) guidance and the management decisions did not reflect the Chief Financial Officer's responsibility as the lead official for directing and overseeing HUD's actions to address improper payments.

OIG sent a referral memorandum to the Acting Chief Financial Officer on September 23, 2014, regarding the disagreement, along with an untimely referral memorandum for two recommendations that had not had management decisions entered. Following OIG's memorandum, OCFO entered management decisions for seven of nine recommendations, of which OIG agreed with only one. The remaining six recommendations, along with two recommendations for which management had not yet entered a management decision, were referred to the Deputy Secretary on March 31, 2015. OIG briefed the Deputy Secretary's staff on the subject report on April 20, 2015, and in August 2015, meetings were held with OCFO to discuss what was needed to come to agreement. As of March 31, 2016, management decisions had been agreed upon for all recommendations except two.

OCFO submitted a new management decision for one of these recommendations on March 23, 2016. OIG disagreed with the management decision because OCFO believes its contractor is measuring improper payments made to deceased tenants, when OIG's audit work shows that the contractor is not. OIG met with OCFO on March 29, 2016, to discuss this matter, and OCFO agreed to contact the contractor for clarification. OIG had not heard back from OCFO on this matter until a revised management decision was submitted to OIG on March 30, 2017.

OCFO submitted a management decision for the other recommendation on March 31, 2016. However, OIG disagrees with this management decision because it believes that OCFO's decision gives HUD the option to

continue reporting its improper payments in a way that masks the true error rate in certain programs, which is not compliant with OMB's guidance. OIG had not heard back from OCFO on this matter until a revised management decision was submitted to OIG on March 30, 2017.

OIG has since rejected these management decisions because the plan and evidence to provide closure were too vague. OCFO met with OIG to explain that it is revamping its entire process to reduce and report on improper payments. However, as of September 30, 2017, OCFO had not provided a project plan with milestones to achieve its goals. Without a project plan, OIG cannot determine whether OCFO's new plan will address OIG's recommendations and when it will be implemented. (Audit Report: **2014-FO-0004**)

HUD DID NOT ALWAYS RECOVER FHA SINGLE-FAMILY INDEMNIFICATION LOSSES AND ENSURE THAT INDEMNIFICATION AGREEMENTS WERE EXTENDED, ISSUE DATE: AUGUST 8, 2014

HUD OIG audited HUD's controls over its Federal Housing Administration (FHA) loan indemnification recovery process to determine whether HUD had adequate controls in place to monitor indemnification agreements and recover losses on FHA single-family loans.

HUD did not always bill lenders for FHA single-family loans that had an indemnification agreement and a loss to HUD. Specifically, it did not bill lenders for any loans that were part of the Accelerated Claims Disposition (ACD) program or the Claims Without Conveyance of Title (CWCOT) program or loans that went into default before the indemnification agreement expired but were not in default on the expiration date. There were a total of 486 loans from January 2004 to February 2014 that had enforceable indemnification agreements and losses to HUD but were not billed. This condition occurred because HUD's Financial Operations Center was not able to determine loss amounts for loans that were part of the ACD program, was not aware of the CWCOT program, and considered the final default date for billing only. As a result, HUD did not attempt to recover a loss of \$37.1 million for 486 loans that had enforceable indemnification agreements.

In addition, HUD did not ensure that indemnification agreements were extended to 64 of 2,078 loans that were streamline refinanced. As a result, HUD incurred losses of more than \$373,000 for 5 loans, and 16 loans had a potential loss to HUD of approximately \$1 million. The remaining 43 loans were either terminated or did not go into delinquency before the indemnification agreement expired, or the agreement did not state that it would extend to loans that were streamline refinanced.

OIG rejected three management decisions proposed by the Offices of Single Family Housing and Finance and Budget because they did not follow the plain language explicitly stated in signed indemnification agreements. The Offices of Single Family Housing and Finance and Budget disagree with OIG's determination that HUD should have billed lenders for FHA loans that either were in default or went into default during the indemnification agreement period.

OIG referred the matter to the Assistant Secretary for Housing – Federal Housing Commissioner on January 8, 2015. OIG met with the HUD Office of General Counsel and the Offices of Housing, Single Family Housing, and Finance and Budget on January 30, 2015. The meeting ended in disagreement; however, the HUD Office of General Counsel and OIG Office of Legal Counsel continued discussions.

Single Family Housing received two legal opinions from HUD's Office of General Counsel, dated January 26, 2015, and February 24, 2015, respectively. Combined, the legal opinions support Single Family Housing's and Finance and Budget's position that they have collected in a manner consistent with longstanding policy that

emphasized the definition of the “date of default.” Single Family Housing maintains that its collection practice is consistent with FHA’s regulatory definition of “date of default” found in 24 CFR (Code of Federal Regulations) 203.331, which refers to the first “uncorrected” failure and the first failure to pay that is not satisfied by later payments.

OIG disagrees and believes that Single Family Housing and Finance and Budget have adopted a collection practice not supported by the plain language of the indemnification agreements or required by HUD regulations. Based on the plain language explicitly stated in signed indemnification agreements, OIG believes that the indemnification agreement should be enforced for any loan that “goes into default” during the indemnification agreement term, regardless of whether the loan emerged from a default status after the agreement expired. In response to HUD’s legal opinions, OIG received its own legal opinion from the OIG Office of Legal Counsel, which supports OIG’s position.

OIG has had discussions with HUD’s Office of General Counsel, Single Family Housing, and Finance and Budget regarding the recommendations in question but has not reached agreeable management decisions. On March 31, 2015, OIG referred the recommendations to the Deputy Secretary for a decision and is awaiting that decision. In September 2017, HUD stated that with the change in administration, it will be resuming discussions on the matter in the coming months. (Audit Report: **2014-LA-0005**)

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION FISCAL YEARS 2014 AND 2013 FINANCIAL STATEMENTS AUDIT, ISSUE DATE: FEBRUARY 27, 2015

HUD OIG audited the Government National Mortgage Association’s (Ginnie Mae) fiscal year 2014 stand-alone financial statements. OIG conducted this audit in accordance with the Chief Financial Officers Act of 1990 as amended. OIG found a number of material weaknesses in Ginnie Mae’s financial reporting specifically related to the auditability of several material assets and reserve for loss liability account balances. The audit report had 20 audit recommendations to (1) correct the financial statement misstatements identified and (2) take steps to strengthen Ginnie Mae’s financial management operations. Initially, OIG did not reach consensus with Ginnie Mae on the necessary corrective actions for 9 of the 20 audit recommendations and referred the matter to the Deputy Secretary for a decision on September 21, 2015. In August 2016, OIG reached an agreement for management decision on three of nine management decisions that OIG previously rejected. As a result, there are now six audit recommendations without a management decision. OIG’s audit recommendations request that HUD’s Chief Financial Officer provide oversight of Ginnie Mae’s financial management operations, but HUD’s corrective action plan to provide the oversight of Ginnie Mae lacked specificity. As of September 30, 2017, the Deputy Secretary had not provided a decision on the six recommendations referred. (Audit Report: **2015-FO-0003**)

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION FISCAL YEARS 2015 AND 2014 (RESTATED) FINANCIAL STATEMENTS AUDIT, ISSUE DATE: NOVEMBER 13, 2015

HUD OIG audited Ginnie Mae’s fiscal year 2015 stand-alone financial statements. OIG conducted this audit in accordance with the Chief Financial Officers Act of 1990 as amended. This report had new and repeat audit findings. Of 11 audit recommendations, OIG did not reach consensus on the necessary corrective actions for 3.

Ginnie Mae did not provide a response to OIG to explain Ginnie Mae’s refusal to implement one audit recommendation related to compliance with the Debt Collection Improvement Act.

For the remaining two information technology (IT)-related audit recommendations, Ginnie Mae's master subservicer (MSS) disagreed with one audit recommendation. The MSS believes that it has the proper segregation of duties for cash processes, payment processing, and reconciliation of all financial activities. However, OIG disagrees and maintains its original position that segregation of duties means that no single person should have control of two or more conflicting functions within a transaction or operation. Further, while a security camera system, criminal background checks, etc., are helpful, they do not take the place of good internal controls, which include the segregation of duties.

Regarding the second IT audit recommendation, Ginnie Mae's MSS agreed to regularly review the market discount fraction change report and confirm this review in its monthly self-evaluation. However, this response and management's plan of action did not fully address OIG's recommendation. The methods identified were neither sufficient nor adequate to address (1) OIG's finding "that management had an ineffective monitoring tool in place" and (2) OIG's recommendation that management automate the approval process to include restricting the capability to make unauthorized changes unless evidence of approval is present or increase the scope of the "Admin Adjustment Report" to include all exceptions and adjustments. The issue was not that a review process was not in place but that the review was not meaningful or effective because the tool or report used to review financial adjustment changes was limited. The manual approval process also enabled staff to avoid obtaining approval before making adjustments because there were (1) no checks and balances and (2) no restrictions in the financial system to prevent unauthorized adjustments. Management's plan of action did not address OIG's concern.

OIG referred this matter to the President of Ginnie Mae for a decision on April 21, 2016, and to the Deputy Secretary on March 6, 2017. As of September 30, 2017, OIG was awaiting a decision on the remaining three recommendations referred to the Deputy Secretary. (Audit Report: **2016-FO-0001**)

ADDITIONAL DETAILS TO SUPPLEMENT OUR FISCAL YEARS 2015 AND 2014 (RESTATED) U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FINANCIAL STATEMENT AUDIT, ISSUE DATE: NOVEMBER 18, 2015

HUD OIG audited HUD's consolidated financial statements and reported on deficiencies, including the areas of (1) accounting for liabilities for PIH programs in accordance with GAAP and the Federal Financial Managers Improvement Act (FFMIA) and (2) HUD's financial management governance structure and internal controls over financial reporting. HUD disagreed with several recommendations made in each of these areas, and as a result, OIG first referred them to the Principal Deputy Assistant Secretary for Public and Indian Housing and the Deputy Chief Financial Officer on April 21, 2016. OIG received a response to only one recommendation, and disagreement remained on the actions necessary to correct the deficiencies identified in the report. OIG referred the remaining recommendations to the Deputy Secretary on September 20, 2016. As of September 30, 2017, OIG had not received further proposals from HUD on these matters.

Accounting for liabilities for PIH programs in accordance with GAAP and FFMIA: OIG reported that HUD is not recognizing the accounts payables arising from shortages identified in PIH's cash management reconciliations. PIH's position is that it does not record the payables because the cash management reconciliations are completed 45-60 days after each quarter. By the time they are conducted, the PHA could have used either restricted or unrestricted net position balances or requested frontload funding to cover the shortages. OIG does not agree that this complies with GAAP because adjusting the prepaid expense after payables have been paid is not accrual accounting. PIH has not submitted a revised position on this matter. OIG believes that this recommendation cannot be resolved until PIH's cash management process is automated, which is discussed in Audit Report 2014-FO-0003 (discussed above).

HUD's financial management governance structure and internal controls over financial reporting: OIG reported on deficiencies found in the financial governance and financial reporting areas. OIG could not accept the proposed management decisions because OCFO (1) requested final action target dates that were too far out in the future, (2) claimed the deficiencies had been addressed by the new processes implemented by New Core when they had not, or (3) did not provide sufficient detail to support that the recommendations would be fully addressed. OIG communicated these issues to HUD on March 7, 2016. A new proposal was submitted for one recommendation but was rejected because management did not understand the intention of the recommendation and did not include an action plan to document its processes as indicated in the recommendation. OIG has not received any new proposals for the remaining outstanding recommendations. (Audit Report: **2016-FO-0003**)

HUD DID NOT ALWAYS PROVIDE ADEQUATE OVERSIGHT OF PROPERTY ACQUISITION AND DISPOSITION ACTIVITIES, ISSUE DATE: JUNE 30, 2016

HUD OIG audited HUD's Community Development Block Grant (CDBG) program's property acquisition and disposition activities. OIG's audit objective was to determine whether HUD had adequate oversight of property acquisition and disposition activities under its CDBG program.

OIG found that HUD did not always provide adequate oversight of property acquisition and disposition activities. Specifically, of 14 activities reviewed, 7 field offices did not provide adequate oversight of 8 property acquisition and disposition activities totaling more than \$26.2 million. For the eight activities for which adequate oversight was not provided, two activities with draws totaling \$6.1 million had outstanding program-related findings that HUD had not enforced, and six totaling \$20.1 million had not been monitored. Additionally, four of the eight activities totaling nearly \$11.9 million had not met a national objective.

These conditions occurred because HUD did not have adequate controls to ensure that it enforced its monitoring findings and its grantee risk assessment procedures did not specifically address the oversight of property acquisition and disposition activities.

The OIG report included a recommendation that the Deputy Assistant Secretary for Grant Programs direct field offices to include property acquisition and disposition activities as an area of special emphasis when assessing grantee risk and establishing their monitoring plans and grantee monitoring strategies.

The Deputy Assistant Secretary for Grant Programs proposed a management decision in December 2016. However, after discussions with HUD, OIG rejected the proposed management decision because it did not directly address directing field offices to include property acquisition and disposition activities as an area of special emphasis when assessing grantee risk and establishing their monitoring plans and grantee monitoring strategies as recommended. For OIG to consider the proposed management decision as an acceptable alternative action, OIG requested clarification and documentation from HUD. However, HUD did not provide the requested information and documentation, and OIG referred this recommendation to the Acting Assistant Secretary for Community Planning and Development on March 30, 2017. HUD proposed another management decision in April 2017; however, OIG rejected it because it also did not directly address the intent of the recommendation. OIG referred this recommendation to the Deputy Secretary on August 23, 2017, and as of September 30, 2017, had yet to receive a response. (Audit Report: **2016-PH-0001**)

INDEPENDENT ATTESTATION REVIEW: U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, DATA ACT IMPLEMENTATION EFFORTS, ISSUE DATE: AUGUST 26, 2016

HUD OIG reviewed HUD's efforts as of July 15, 2016, to comply with steps 1-4 of the U.S. Department of the Treasury DATA Act Playbook to determine whether HUD is positioned to meet the statutory May 2017 deadline. Upon completion of the review, OIG concluded that HUD was not on track to provide complete, departmentwide reporting by the statutory deadline.

OIG noted that the implementation issues were a result of HUD's having three different senior accountable officials in a 6-month span and the conclusion that the Digital Accountability and Transparency Act of 2014 (DATA Act) applied to FHA and Ginnie Mae was not made until approximately May 2016. These conditions delayed implementation efforts and precluded the reasonable expectation that the deadline would be met. In addition to the FHA and Ginnie Mae delays, as of July 15, 2016, HUD had not completed its inventory of data elements or the mapping of agency data to the DATA Act schema. HUD had also been unable to resolve data quality issues that have impeded the complete and accurate reporting of departmental contract, grant, loan, and other financial assistance awards in USASpending.gov. Among other issues, OIG recommended that HUD (1) identify the universe of all program obligations and disbursements, including the appropriations account level of obligations and outlays by program activity and by object class for compliant USASpending.gov reporting, and (2) execute a plan to resolve errors already identified in programmatic expenditure information transferred to USASpending.gov before full implementation and ensure that similar types of errors are identified in a timely manner and promptly resolved before implementation.

In response to these recommendations, OCFO disagreed, indicating the challenges encountered by HUD were not unique to HUD and affected all agencies. Additionally, OCFO stated that it is implementing corrective actions related to current USASpending data and legacy system data quality issues, which include developing a comprehensive plan to lay the groundwork for assessing the completeness and accuracy of financial DATA Act submissions.

OIG did not agree with OCFO's proposed corrective actions because OIG deemed it necessary for HUD to develop procedures to reconcile the complete list of its currently funded appropriations and programs and identify the portfolio of funding identified that supports each program. Additionally, to fully address the recommendation, OCFO's corrective action plan should include a reconciliation of (1) the activity of obligations and outlays with budget execution reports, (2) the fund balance with Treasury, and (3) its status of funds reports on the performance of such reconciliations or similar reconciliations, which are generated from the Oracle Federal Financials system. Further, although OCFO stated that HUD had a team working on corrective actions for data quality issues, OIG was not provided with sufficient evidence and assurance as to how the corrective actions would resolve data reliability issues identified during OIG's review.

OIG referred its disagreement to the Deputy Chief Financial Officer on February 3, 2017. As of March 31, 2017, OIG's disagreement with OCFO had been referred to the Deputy Secretary for decision. As of September 30, 2017, HUD had provided no additional information. (Audit Memorandum: **2016-FO-0802**)

HUD DID NOT ALWAYS PROVIDE ACCURATE AND SUPPORTED CERTIFICATIONS OF STATE DISASTER GRANTEE PROCUREMENT PROCESSES, ISSUE DATE: SEPTEMBER 29, 2016

HUD OIG audited HUD's controls over its certifications of State disaster recovery grantee procurement processes to determine whether HUD's certifications were accurate and supported. OIG found that HUD did not always provide accurate and supported certifications of State disaster grantee procurement processes. Specifically, it (1) allowed conflicting information on its certification checklists, (2) did not ensure that required supporting documentation was included with the certification checklists, and (3) did not adequately evaluate the supporting documentation submitted by the grantees. These conditions occurred because HUD did not have adequate controls over the certification process. Due to the weaknesses identified, HUD did not have assurance that State grantees had proficient procurement processes in place, and the Secretary's certifications did not meet the intent of the Disaster Relief Appropriations Act of 2013.¹¹

The report included five recommendations for the Deputy Assistant Secretary for Grant Programs. The Acting Deputy Assistant Secretary for Grant Programs proposed corrective actions on January 11, 2017, and OIG rejected the proposed actions on January 27, 2017. OIG referred the recommendations to the General Deputy Assistant Secretary for Community Planning and Development on February 6, 2017. The General Deputy Assistant Secretary responded to the referral on February 21, 2017. For all of the recommendations, the General Deputy Assistant Secretary stated that OIG's disagreement regarding the definition of a proficient procurement process, as it relates to State disaster grantees, and the meaning of "equivalent" as it relates to a State's procurement policies and procedures being "equivalent to" or "aligned with" the Federal procurement standards, was closed by the Deputy Secretary in her decision regarding resolution of recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and Management System.¹² In the January 10, 2017, decision, the Deputy Secretary wrote that the State certified that its procurement standards were equivalent to the Federal standards at 24 CFR 85.36 and HUD had also certified to the proficiency of the State's policies and procedures. The Deputy Secretary noted that two legal opinions from the Office of General Counsel concluded that the standards at 24 CFR 85.36 did not apply and, therefore, there was no legal basis for the finding and associated recommendations. The General Deputy Assistant Secretary asserted that the legal opinion for the New Jersey audit applied to this audit. Based on this information, the General Deputy Assistant Secretary believed it was appropriate to close all of the recommendations.

OIG disagrees with the General Deputy Assistant Secretary's request to close the recommendations in this audit based on the Deputy Secretary's decision to resolve recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and Management System. OIG has two main areas of disagreement with the decision: (1) OIG continues to assert that 24 CFR 85.36 was applicable to the State because its procedures needed to be equivalent to these Federal standards, and (2) OIG asserts that the applicability of 24 CFR 85.36 was not the only basis for the recommendations in the New Jersey audit report and believes that the decision failed to consider the other bases of the recommendations. Further, the Deputy Secretary's decision did not address all of the issues with HUD's process for certifying State disaster grantee procurement processes that were identified in the subject audit report. OIG referred these recommendations to the Deputy Secretary on March 31, 2017, and as of September 30, 2017, had not received a decision. (Audit Report: **2016-PH-0005**)

¹¹ Public Law 113-2, dated January 29, 2013

¹² 2015-PH-1003, dated June 4, 2015

AUDIT OF FISCAL YEARS 2016 AND 2015 (RESTATED) FINANCIAL STATEMENTS AUDIT, ISSUE DATE: NOVEMBER 14, 2016

HUD OIG audited Ginnie Mae's fiscal year 2016 stand-alone financial statements. OIG conducted this audit in accordance with the Chief Financial Officers Act of 1990 as amended. Of 19 recommendations issued, OIG did not reach consensus on the necessary corrective actions for 2.

The first disagreement was associated with OIG's recommendation for Ginnie Mae to reverse the accounting writeoff of the advances account. In conjunction with the subledger data solution, Ginnie Mae needs to conduct a proper analysis to determine whether any of the \$248 million balances in the advances accounts are collectible. Ginnie Mae believes that it cannot reverse the \$248 million residual balance in the advances account. Based on its analysis, Ginnie Mae explained that this residual balance should have been charged off by the realized losses incurred on liquidated loans from fiscal years 2009 through 2016 but it was not. Therefore, according to Ginnie Mae, this residual balance was no longer supportable or collectible after the sale of the mortgage servicing rights. Additionally, Ginnie Mae states that it cannot pursue additional collection from its master subservicers based on the terms of its settlement with them. OIG has concerns about the reliability of Ginnie Mae's analysis because when OIG attempted to review Ginnie Mae's support for the advances writeoff, it was unable to validate the accuracy of the information used in its analysis. For example, of \$248 million, OIG could not validate the \$180 million in realized losses because this information was based on rough estimates (\$50 million) and mastersubservicers' accounting reports that OIG considered unauditible (\$130 million). Ginnie Mae could not explain the other \$68 million. Further, OIG's audit showed that the \$248 million residual balance may contain advances related to unliquidated nonpooled loans. Specifically, in fiscal year 2016, Ginnie Mae stated that all advance balances associated with liquidated loans were removed from the advances account and attached (carried forward) to the liquidated loans balance. However, in fiscal year 2017, OIG learned that this was not the case. According to Ginnie Mae, the advance balances associated with these loans were not carried forward. Therefore, there are legitimate collection action claims that Ginnie Mae can pursue on these unliquidated nonpooled loans.

The second disagreement was related to OIG's recommendation for Ginnie Mae to exclude the loan impairment allowance on other indebtedness appropriately instead of reporting it as part of the loan impairment allowance on its mortgage held for investment (MHI) account. Ginnie Mae partially agreed with OIG regarding the MHI allowance issue. Ginnie Mae agreed that it should have excluded from the MHI allowance account the allowance portion related to the reimbursable preforeclosure expense but not the nonreimbursable preforeclosure expense portion. According to Ginnie Mae, it included the nonreimbursable preforeclosure expense in the MHI allowance calculation because the expense was necessary to collect proceeds of the MHI loans. Ginnie Mae cited Accounting Standards Codification (ASC) 450-20 and the interagency policy statement on the allowance for loan and lease losses as the bases for its conclusion with respect to the issue of nonreimbursable preforeclosure expense. Overall, Ginnie Mae concluded that in estimating the MHI allowance, the expected-anticipated recoveries from insurance, as well as the expected but not yet incurred preforeclosure costs, will need to be included in determining the collectability of cash flows from these loans. Regarding nonreimbursable preforeclosure expenses, OIG does not agree with Ginnie Mae that its inclusion in the ASC 450-20 or ASC 310-10 components of the MHI allowance was in accordance with GAAP.

Both disagreements were referred to the Deputy Secretary on August 24, 2017. As of September 30, 2017, OIG was awaiting a decision. (Audit Report: **2017-FO-0001**)

ADDITIONAL DETAILS TO SUPPLEMENT OUR FISCAL YEARS 2016 AND 2015 (RESTATED) U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FINANCIAL STATEMENT AUDIT, ISSUE DATE: NOVEMBER 15, 2016

OIG audited HUD's consolidated financial statements and reported on deficiencies in the areas of (1) HUD's loan guarantee balances; (2) HUD's accounting for its property, plant, and equipment; (3) significant reconciliations not completed in a timely manner; (4) HUD's lack of a policy and procedure framework; and (5) invalid obligations that remained on HUD's books. OIG issued several referrals regarding these management decisions to HUD senior management for untimeliness and disagreement between May 31 and July 24, 2017. For recommendations regarding HUD's account for property, plant, and equipment, OCFO submitted management decisions on September 21 and 22, 2017, and they are under OIG review. As of September 30, 2017, OIG had not received new proposed management decisions for the remaining recommendations. (Audit Report: **2017-FO-0003**)

HUD'S TRANSITION TO A FEDERAL SHARED SERVICE PROVIDER FAILED TO MEET EXPECTATIONS, ISSUE DATE: FEBRUARY 1, 2017

HUD OIG audited the effectiveness of the controls over the New Core Interface Solution (NCIS) and PRISM™ and the impact of the implementation of release 3 of phase 1 of the New Core Project on the preparation of HUD's financial statements.

HUD's transition to a Federal shared service provider (FSSP) did not significantly improve the handling of its financial management transactions. Weaknesses identified with the controls over NCIS and PRISM™ contributed to this issue. A year after the transition, HUD had inaccurate data resulting from the conversions and continued to execute programmatic transactions using its legacy applications. The transition increased the number of batch processes required to record programmatic financial transactions and introduced manual processes and delays for budget and procurement transactions. In addition, the interface program that allowed for and translated the financial transactions between HUD and the Administrative Resource Center was not covered under HUD's disaster recovery plan. These conditions occurred because of funding shortfalls as well as HUD's decisions to (1) separate phase 1 of the project into smaller releases, (2) move forward with the implementation despite unresolved issues, and (3) terminate the project before its completion. These system issues and limitations inhibited HUD's ability to produce reliable, useful, and timely financial information.

While HUD considered its New Core Project implementation successful, it acknowledged that not all of the originally planned capabilities were deployed. HUD needs to pursue new process improvement projects to address the functionalities that were not achieved with phase 1 of New Core, which will require additional time and funding. HUD will also need to pursue process improvements for the functionality planned in the future phases of the project. In April 2016, HUD ended the New Core Project and the transition to an FSSP after spending \$96.3 million; however, the transition did not allow HUD to decommission all of the applications it wanted to or achieve the planned cost savings.

HUD OIG made two recommendations within this audit that were directed to the Deputy Secretary.

- 1) Recommendation 1A - Reevaluate the functionality initially planned under the New Core Project and determine how the agency will implement the functionality needed for budget formulation, cost accounting, property management, and the consolidation of HUD's financial statements.

- 2) Recommendation 1B - Take an active role in the implementation of financial management improvement initiatives-projects moving forward to ensure collaboration within HUD and that adequate funding and governance are in place.

OIG has not received a response or a proposed management decision related to the two recommendations. OIG referred these recommendations to the Deputy Secretary on June 6, 2017. As of September 30, 2017, HUD still had not submitted management decisions for these recommendations. (Audit Report: **2017-DP-0001**)

SIGNIFICANTLY REVISED MANAGEMENT DECISIONS

Section 5(a)(11) of the Inspector General Act, as amended, requires that OIG report information concerning the reasons for any significantly revised management decisions made during the reporting period. During the current reporting period, OIG had five reports in which there were significantly revised management decisions.

THE DATA IN CAIVRS DID NOT AGREE WITH THE DATA IN FHA'S DEFAULT AND CLAIMS SYSTEMS, ISSUE DATE: JULY 2, 2014

HUD OIG audited the Credit Alert Verification Reporting System (CAIVRS) to determine whether the default and claims data in CAIVRS agreed with the data in FHA's default and claim systems. OIG determined that CAIVRS did not contain information on all borrowers' default, foreclosure, and claim activity. It would incorrectly return accept codes for more than 260,000 borrowers who had been in default, foreclosure, or claim within the past 3 years. As a result, CAIVRS could allow ineligible debtors to obtain new Federal loans and loan insurance guarantees. In addition, CAIVRS did not contain information for FHA borrowers with claims older than 3 years. Therefore, HUD did not provide other Federal agencies with sufficient information on FHA borrowers with delinquent Federal debt to meet the requirements of the Debt Collection Improvement Act of 1996.

OIG recommended that HUD notify the users of CAIVRS that the system may have incomplete information for FHA delinquent debtors and obtain a determination from the Secretary of the Treasury of whether defaulted FHA-insured loans meet the definition of delinquent Federal debt. HUD disagreed with these recommendations. On September 29, 2016, the Deputy Secretary issued a decision memorandum that closed these recommendations.

OIG also recommended that HUD document the selection rules for feeding data to CAIVRS, update the rules to provide for complete reporting, and develop and implement system error checks to identify issues. In addition, OIG recommended that the selection rules be updated to report debt beyond the 3-year claim period. In its original management decision, HUD agreed to take each of the recommended actions. On September 26, 2017, HUD submitted a revised management decision, stating that before the September 2016 decision memorandum, HUD was unable to proceed with action on these recommendations as they were codependent on what was determined to be delinquent Federal debt. It plans to issue a mortgagee letter announcing that CAIVRS will now include only FHA borrowers who owe a debt to HUD and the debt is delinquent or in default and that HUD will discontinue CAIVRS reporting of all other existing criteria, such as borrowers in default, foreclosure, or claims status. The mortgagee letter will notify lenders that FHA's change to CAIVRS does not affect existing lender requirements to report delinquency, default, and foreclosure data and there is no change to the existing borrower eligibility requirements. Following publication of this mortgagee letter, HUD will document the selection rules, update the selection rules, and develop and implement system error checks so that the system excludes additional credit information traditionally reported in CAIVRS and includes only what HUD has deemed to be delinquent Federal debt.

On September 28, 2017, OIG agreed with the revised management decision. (Audit Report: **2014-KC-0002**)

HUD PAID CLAIMS THAT LACKED CONTACT OR COLLECTION ACTIVITIES WITH COBORROWERS, ISSUE DATE: SEPTEMBER 18, 2013

HUD OIG audited FHA insurance claims to determine whether lenders contacted all borrowers on each FHA loan before proceeding to claim. OIG determined that HUD paid claims on approximately 2,109 FHA loans when the lenders did not contact, attempt collection from, or otherwise include all borrowers during the loss mitigation process. Some of the coborrowers were nonoccupying coborrowers, who were added to the loans during underwriting so the loans would meet FHA underwriting standards.

Among other things, OIG recommended that HUD enhance data collection to begin collecting information on whether each coborrower will occupy the subject property as well as the addresses and phone numbers of each coborrower. In its original management decision, HUD agreed to modify its FHA Connection system to capture the additional data. On September 14, 2017, HUD submitted a revised management decision, stating that instead, it had partnered with other agencies to revise the Uniform Residential Loan Application (URLA). The revised URLA will be implemented on January 1, 2021, and will include the recommended coborrower information. This information will be part of the data set captured in its eCase Binder project.

On September 20, 2017, OIG agreed with the revised management decision. (Audit Report: **2013-KC-0004**)

THE CITY OF CLEVELAND, OH, LACKED ADEQUATE CONTROLS OVER ITS HOME INVESTMENT PARTNERSHIPS PROGRAM AND AMERICAN DREAM DOWNPAYMENT INITIATIVE-FUNDED AFFORD-A-HOME PROGRAM, ISSUE DATE: DECEMBER 27, 2010

THE CITY OF CLEVELAND, OH, LACKED ADEQUATE CONTROLS OVER ITS HOME INVESTMENT PARTNERSHIPS PROGRAM-FUNDED HOUSING TRUST FUND PROGRAM HOME-BUYER ACTIVITIES, ISSUE DATE: SEPTEMBER 29, 2011

THE CITY OF CLEVELAND, OH, LACKED ADEQUATE CONTROLS OVER ITS HOME INVESTMENT PARTNERSHIPS PROGRAM, ISSUE DATE: FEBRUARY 12, 2013

HUD OIG completed three audits of the City of Cleveland, OH's HOME Investment Partnerships program. The objectives of the audits were to determine whether the City complied with (1) HUD's requirements in its use of HOME Investment Partnerships program and American Dream Downpayment Initiative funds to provide interest-free second mortgage loans to home buyers through its Afford-A-Home program and its use of recapture provisions for Afford-A-Home program activities, (2) HUD's requirements in its use of HOME funds to provide interest-free second mortgage loans to home buyers through its Housing Trust Fund program and its use of recapture provisions for Housing Trust Fund program activities, and (3) to determine whether the City complied with Federal requirements and its own policies in the administration of its program.

The City did not comply with HUD's requirements in its use of HOME and American Dream Downpayment Initiative funds to provide interest-free second mortgage loans to home buyers through its Afford-A-Home program and its use of recapture provisions for Afford-A-Home program activities. It (1) provided assistance for ineligible activities; (2) lacked sufficient documentation to support that activities were eligible; (3) included inappropriate recapture provisions in its action plans for program years 2007 to 2008, 2008 to 2009, and 2009 to 2010; (4) did not implement appropriate recapture provisions for all of the activities reviewed; and (5) did not ensure that its HOME program was reimbursed for HOME funds used to assist home buyers in purchasing homes that were later sold through a sheriff's sale and ownership of the homes had been transferred. OIG recommended that HUD require the

City to (1) reimburse its HOME program from non-Federal funds for the \$20,000 in program funds inappropriately used to assist two activities, (2) provide supporting documentation or reimburse its HOME program \$760,000 from non-Federal funds, and (3) reimburse its HOME program \$30,000 from non-Federal funds for the three homes that had been sold through a sheriff's sale and ownership of the homes had been transferred.

OIG's second audit of the City's HOME program showed that the City did not comply with HUD's requirements in its use of HOME funds to provide interest-free second mortgage loans to home buyers through its Housing Trust Fund program and its use of recapture provisions for activities. It (1) provided assistance for an ineligible activity, (2) lacked sufficient documentation to support that activities were eligible, (3) did not implement appropriate recapture provisions for all of the activities reviewed, and (4) did not ensure that its HOME program was reimbursed for HOME funds used to assist a home buyer in purchasing a home that was later sold through a sheriff's sale and ownership of the home had been transferred. OIG recommended that HUD require the City to (1) reimburse its HOME program from non-Federal funds for the \$20,000 in HOME funds inappropriately used to assist an activity, (2) provide supporting documentation or reimburse its HOME program \$775,000 from non-Federal funds, and (3) reimburse its HOME program \$20,000 from non-Federal funds for the home that had been sold through a sheriff's sale and ownership of the home had been transferred.

OIG's third audit of the City's HOME program showed that the City did not comply with Federal requirements or its own policies in its contracting processes for housing rehabilitation services and its use of HOME funds for Repair-A-Home program projects. The City also did not comply with HUD's requirements in (1) its reporting of HOME program accomplishments in HUD's Integrated Disbursement and Information System (IDIS), (2) the reimbursement of its HOME program from non-Federal funds for homes acquired through home-buyer activities that were later sold and ownership of the homes had been transferred, and (3) its use and reporting of its HOME program income. OIG recommended that HUD require the City to reimburse its HOME program, for transmission to the U.S. Department of the Treasury, more than \$220,000 and provide sufficient supporting documentation or reimburse its HOME program nearly \$249,000.

HUD's Office of Community Planning and Development (CPD) agreed with the recommendations and the final questioned costs, which totaled more than \$3.8 million for all three audits. However, the City disagreed with the recommendations. CPD referred the issues to HUD's Office of General Counsel for collection. In March 2017, HUD's Office of General Counsel entered into a settlement agreement and release with the City that resolved the City's administrative liability concerning the audits for nearly \$83,000. In addition, the settlement agreement and release did not allow HUD to take any additional actions; therefore, CPD submitted revised management decisions and requests for closure of the recommendations. Thus, on September 25, 2017, OIG concurred with the revised management decisions to close the audits and denote the more than \$3.8 million as uncollectable. (Audit Reports: **2011-CH-1003**, **2011-CH-1014**, and **2013-CH-1001**)

SIGNIFICANT MANAGEMENT DECISION WITH WHICH OIG DISAGREES

During the reporting period, OIG had two reports in which the OIG disagreed with the significant management decision.

THE HOUSING AUTHORITY OF THE CITY OF EL PASO, TX, DID NOT FOLLOW RECOVERY ACT OBLIGATION REQUIREMENTS OR PROCUREMENT POLICIES, ISSUE DATE: APRIL 12, 2013

HUD OIG audited the Housing Authority of the City of El Paso to meet OIG's oversight objectives for the American Recovery and Reinvestment Act of 2009. Additionally, OIG's risk assessment of the funding showed that as of December 31, 2011, the Authority had spent almost \$11 million, or 86 percent, of its formula grant, which

left more than \$1.7 million to be spent in the 3 months before the expenditure deadline. OIG's audit objectives were to determine whether the Authority properly (1) obligated and spent its formula Recovery Act grant funds, (2) obtained its formula Recovery Act contracts, and (3) reported results in an accurate and timely manner.

OIG found that the Authority improperly obligated Recovery Act funds totaling about \$2.68 million after the statutory obligation deadline. OIG recommended that the Office of Public Housing require the Authority to repay more than \$2.6 million in 2009 Recovery Act funds to HUD, which will return the funds to the U.S. Treasury, or provide eligible costs that it obligated and expensed before the deadlines. HUD should take care to ensure that other expended funds are not improperly shifted to Recovery Act funds, as HUD's policy stated that PHAs must use the funds provided in this grant to supplement expenditures, not to supplant expenditures from other Federal, State, or local sources or funds independently generated.

The Office of Public Housing and OIG have disputed recommendation 1A since report issuance. OIG referred the disagreement to the Deputy Assistant Secretary of Public Housing in 2013. OIG agreed to allow Public Housing to obtain a legal opinion, with the understanding that OIG reserved the right to disagree with the legal opinion. Public Housing obtained the Office of General Counsel's legal opinion in December 2013 and revised the management decisions to requesting closure with no recovery of the funds in February 2014. Lengthy legal discussions occurred between the Office of General Counsel and OIG's Office of Legal Counsel. OIG's Office of Legal Counsel also held discussions with the U.S. Government Accountability Office (GAO). OIG decreased the total \$2.6 million questioned amount by more than \$293,000 for force account labor. After additional discussions with the Office of Public Housing and Office of General Counsel, OIG reduced the amount questioned as ineligible to \$2.28 million relating to eight contracts.

OIG referred the remaining ineligible contracts to the Assistant Secretary of Public Housing in February 2015. Although several verbal discussions took place, OIG did not receive a written response to the referral, even though the Office of Public Housing seemed to admit that the Authority needed to repay the Guillen roof contract amount, which was a Public Housing Capital Fund program contract. In February 2017, OIG referred the disagreement to the Deputy Secretary. In July 2017, the Deputy Secretary issued the final management decision. In it, the Deputy Secretary agreed to make the Authority repay nearly \$338,000 for the Guillen contract and indicated that she would not require a repayment for any of the remaining funds, which totaled more than \$1.9 million. The decision was based on two assertions that the Office of Public Housing (1) has long allowed PHAs to obligate funds for labor, materials, and equipment using the force account method and (2) stated that its grantees could use the longstanding rules of the Capital Fund program to obligate, deobligate, and expend its Recovery Act funds.

OIG disagrees with the Deputy Secretary's final decision. In its response concerning the Authority's purchase of an evaporative cooler and materials using contracts obligated after the Act's statutory obligation deadline, HUD redefined force account to include materials and equipment and ignored the Act's statutory deadline. In its response concerning the reobligation of funds deobligated by the Authority, HUD stated that it was authorized to obligate funds for PHAs until September 30, 2011. Thus, HUD's response misstated that the Act required it to obligate Recovery Act public housing formula funds within 30 days of the enactment of the Act, which made the obligation deadline March 17, 2010. HUD also stated that the Act did not overrule the existing rules of the Capital Fund program, making the Capital Fund's longstanding definitions of "obligate" and "expend" apply. In making this statement, HUD failed to account for the Recovery Act's strict obligation and expenditure deadlines, which differed from the regular Capital Fund program rules. Further, HUD ignored the well-settled traditional rule concerning the continued availability of appropriated funds beyond the statutory deadline. When it becomes necessary to terminate a contract because of a contractor's default, some other defect in the contract, or the convenience of the government, the funds originally obligated are available, beyond the original period of obligational availability, to engage another contractor to complete the unfinished work. Here, however, funds obligated to one project and purpose were later reallocated to a totally different project and purpose, such as from roof replacement at Salazar to waterline work at Sherman. (Audit Report: **2013-FW-1004**)

ADDITIONAL DETAILS TO SUPPLEMENT OUR FISCAL YEARS 2015 AND 2014 (RESTATED) U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FINANCIAL STATEMENT AUDIT, ISSUE DATE: NOVEMBER 18, 2015

HUD Continued To Not Comply With the Home Investment Partnership Act

HUD OIG audited the HOME Investment Partnerships program during the annual fiscal year 2015 financial statement audit. One of the objectives of the audit was to determine whether HUD complied with the applicable laws and regulations for commitment, obligation, and disbursement transactions for CPD programs.

OIG found that HUD continued to not comply with section 218(g) of the HOME Investment Partnership Act (also known as the HOME Statute) regarding grant commitment requirements. HUD's misinterpretation of the plain language in the Act, the implementation of the cumulative method and the first-in, first out (FIFO) technique, and the current recapture policies continued to result in HUD's noncompliance with HOME Statute requirements. Further, HUD's corrective action plan to modify IDIS to assess grantee compliance on a grant-by-grant basis for fiscal year 2015 and later grants was halted only due to budget shortfalls. As a result, HUD incorrectly permitted some Jurisdictions to retain, commit, and disburse HOME grant funds beyond the statutory deadline. OIG determined that allowing grantees to disburse funds from commitments made outside the 24-month statutory period may have caused HUD to incur improper payments. According to OMB Circular A-123, appendix C, an improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.

OIG reported that followup of work performed during the 2013 audit indicated that instances of improper payments occurred. OIG identified three grantees during the 2013 audit that committed grant funds beyond the 24-month statutory deadline using the noncumulative commitment method. The three grantees were recipients of the fiscal year 2010 grant year allocation of HOME program funds, which had a 24-month commitment deadline that fell in fiscal year 2012. OIG followed up on the status of these grantees during the fiscal year 2015 audit. OIG obtained disbursement data for these three 2010 grantees as of July 31, 2015, and determined that they had disbursed nearly \$950,000 from the commitments they made after their 24-month commitment deadline expired in fiscal year 2012. OIG believes that the \$950,000 disbursed from commitments outside the 24-month statutory period meets the criteria of an improper payment.

As a result, OIG recommended that the Deputy Chief Financial Officer (1) implement a payment recapture audit for the HOME program, specifically to identify and recapture improper payments made as a result of the continued use of the cumulative method, and (2) include the HOME program in the next annual improper payment risk assessment and ensure that the impact of the cumulative method to meet commitment deadlines is included in the risk assessment process to evaluate the susceptibility to significant improper payments.

HUD disagreed with recommendations 12A and 12B and believed that it would be impossible to retroactively calculate in a financially supportable manner how HOME funds might have been disbursed and used under alternative cumulative commitment rules. Additionally, HUD believed that based on GAO guidance, it was the legally appropriate choice to implement these changes prospectively, which includes determining the impact of any changes in behavior by the grantee to ensure maximum use and to avoid recapture due to any instances of noncompliance against commitment requirements. HUD stated that it planned to seek assistance from a subject-matter expert to reevaluate the risk assessment process and also argued that the HOME program is already included in its risk assessment, since all of HUD's programs are required to be included in that process.

On September 20, 2016, OIG referred the disagreement on the management decisions to the Deputy Secretary for a decision as the departmental audit resolution official. On July 11, 2017, the Deputy Secretary provided a final decision on management decisions 12A and 12B. It stated that HUD could not implement a payment recapture audit for the HOME program for the specific purpose of trying to identify and recapture any improper payments made because of the continued use of the cumulative method for the reasons previously stated. Further, HUD will include the HOME program in its improper payment risk assessment as is required in the normal course of business, without consideration of the Department's prior use of the cumulative method for the reasons previously stated.

OIG closed the recommendations with disagreement. HUD's fiscal year 2016, Improper Payment Risk Assessment Report included an evaluation of the HOME program that deemed it high risk. However, it excluded the impact of the cumulative method to meet commitment deadlines in the risk assessment for the HOME program. Since the cumulative method was excluded from the risk assessment, it was also excluded from the analysis to determine whether a recapture audit for the HOME program should be performed. In addition, OIG has not been provided with a detailed assessment of the extensive work needed for CPD to estimate the amount of funds that would be recaptured due to use of the cumulative versus noncumulative method for commitment requirements. While OIG acknowledges that the fiscal year 2017 appropriations act suspended the 24-month commitment requirement for deadlines in 2016 through 2019, resulting in recaptures not being performed, this law was passed after the fiscal year 2016 improper payment risk assessment was performed, and HUD had no knowledge that the suspension of the commitment requirement would occur. Therefore, OIG believes the impact of the cumulative method versus the noncumulative method should have been considered in the fiscal year 2016 assessment and consideration of recapture audits should have been made. Additionally, despite the suspension, OIG is unsure of HUD's treatment of the cumulative method for 2020 and beyond. Therefore, OIG believes HUD did not fully address the recommendation at the time the fiscal year 2016 improper payment risk assessment was conducted, as the Deputy Secretary's decision implies.

HUD Did Not Account for Assets and Liabilities in Its Public and Indian Housing Programs in Accordance With GAAP and FFMIA

During HUD's fiscal year 2015 financial statement audit, OIG determined that invested Indian Housing Block Grants (IHBG) were not properly recorded and presented on HUD's financial statements in accordance with GAAP, resulting in misstatements on HUD's financial statements. Specifically, HUD did not record an advance for the funds it disbursed to grantees for investment in advance of programmatic expenses.

OIG made four recommendations to (1) evaluate the IHBG investment process and implement a proper accounting treatment in accordance with Federal GAAP, (2) work with the Office of Native American Programs to calculate the amounts advanced to grantees and restate HUD's financial statements to recognize the prepayments on the financial statements, (3) develop standard operating procedures for routinely obtaining information on grantee investment activity and accurately reporting amounts in HUD's general ledger and financial statements, and (4) develop a tracking function for the payments advanced to IHBG recipients to facilitate financial reporting and monitoring compliance with grant time restrictions. OCFO and PIH disagreed with all four recommendations and used a combination of litigation, the Red book, and program regulations to support their position. However, HUD's position was not supported by GAAP. HUD's position centered solely on the fact that grantees are allowed to keep the interest earned on investments and that the Native American Housing Assistance and Self Determination Act (NAHASDA) regulations allow for investing. Therefore, HUD believes the recognition of the expense should occur when the funds are provided to the grantee. This position does not justify that advanced funds held for investment should be expensed at the time of the advance and is not supported by GAAP. According to the American Institute of Certified Public Accountants' Statement of Federal Financial Standards (SFFAS) 1, "advances are cash outlays made by a Federal entity to its employees, contractors, grantees, or others to cover a part or all of the receipts' anticipated expenses or as advance payments for the good and services the entity acquires." Additionally,

NAHASDA, Section 204, does not say that investing is a program purpose. Instead, it states, “A recipient may invest grant amounts *for the purposes of carrying out affordable housing activities* in investment securities and other obligations as approved by the Secretary.” In other words, while the tribes are allowed to invest, the end goal is to achieve the purpose of the Act, which is carrying out affordable housing activities. OIG does not believe the purpose of the program was for money to sit in an investment account. To achieve all of the purposes outlined in Section 204, the invested funds must be used. Therefore, the expense occurs when the grantee uses the money on an eligible activity and should be recognized as an advance before that event, as described in SFFAS 1.

OIG referred the disagreement to the Deputy Chief Financial Officer and Principal Deputy Assistant Secretary for Public and Indian Housing on April 21, 2016, and after receiving no response, OIG referred it to the Deputy Secretary on September 20, 2016, for a decision.

While these recommendations were awaiting the Deputy Secretary’s decision, HUD’s OCFO resubmitted a management decision on March 29, 2017, including an analysis of tribal investments using accounting standards. OIG’s evaluation determined that while it did consider accounting standards, it contained fundamental flaws. HUD argues that IHBG investments are not assets because they do not meet the following essential characteristics: (1) it embodies economic benefits or services that can be used in the future, and (2) the government controls access to those economic benefits or services and can obtain or deny or regulate the access to those benefits or services. However, OIG determined that (1) the investments do embody economic benefit or service because HUD receives its economic benefit or service when the investments are spent on an activity that fulfills HUD’s mission, whereas money sitting in an investment account does not fulfill HUD’s mission, and (2) HUD controls access to the economic benefits through regulations over the investments, a depository agreement, and regulations on how the funds are spent once the investment period is over. These controls are put into place to ensure that HUD will receive its economic benefit. While NAHASDA permits investing, it is not a primary objective, and to achieve any of the primary objectives, funds must be pulled from the investment account and spent on eligible activities. Therefore, OIG rejected this management decision.

On July 11, 2017, the Deputy Secretary provided a final decision, which concluded that since investment is an authorized program purpose, HUD’s accounting treatment is correct. The Deputy Secretary did not include any reference to GAAP to support the decision. Therefore, OIG does not believe an informed decision was made on this issue.

OIG closed the recommendations with disagreement. As stated above, OIG disagrees with this decision because HUD did not adequately evaluate the IHBG program regulations and requirements against GAAP. A professional accounting judgement can be made only in the context of the applicable accounting framework, accounting standards, or other relevant literature. This decision does not show evidence to support that the accounting framework and accounting standards were considered in the decision. It seems that the decision was based solely on reference to the GAO Red Book, section 204(b) of NAHASDA, and 24 CFR 1000.58(a). (Audit Report: **2016-FO-0003**)

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT OF 1996

In fiscal year 2017, OIG noted continued noncompliance with the three section 803(a) elements of FFMIA within HUD’s financial management system. HUD’s continued noncompliance is due to a high volume of material weaknesses, ineffective internal controls over financial reporting, and longstanding issues related to legacy component and program office system weaknesses that remain unresolved.

Section 804 of FFMIA requires OIG to report in its Semiannual Reports to Congress instances and reasons when an agency has not met the intermediate target dates established in its remediation plan required by FFMIA. Section 803(a) of FFMIA requires that each agency establish and maintain financial management systems that comply with

(1) Federal financial management system requirements, (2) Federal accounting standards, and (3) the USSGL at the transaction level.

HUD has struggled for more than a decade to modernize outdated legacy financial systems. While HUD expected its fiscal year 2016 transition to an FSSP to remediate instances of FFMIA noncompliance, significant financial management and IT governance weaknesses thwarted planned gains. HUD's financial systems, many of which were developed and implemented before the issuance of current standards, were not designed to provide the range of financial and performance data currently required. In fiscal year 2017, HUD took the important step of restarting FFMIA system compliance reviews. The compliance reviews, however, identified additional FFMIA noncompliance within three Office of Housing systems and one additional CPD system.

During fiscal year 2017, HUD made limited progress in addressing a multitude of material weaknesses from OIG's fiscal year 2016 financial statement audit. HUD's material weaknesses include issues related to information processing and the completeness and accuracy of data between HUD's environment, the OCFO NCIS, and the FSSP environment. HUD's implementation of OMB Circular A-123, appendix A, review results this year concluded that unresolved material weaknesses previously cited by OIG require a statement of "no assurance" that internal controls are in place and operating effectively. HUD will need to address weaknesses related to its IT governance and project management practices to remediate system noncompliance with FFMIA.

Additional unremediated prior-year noncompliance with FFMIA requirements is related to CPD's use of the FIFO method to account for grant disbursements within the IDIS application. CPD has yet to complete system configuration changes that will partially address FFMIA noncompliance. While CPD plans to complete system configuration updates in early fiscal year 2018, full remediation may not be possible for a number of years due to management's decision to implement correct grant accounting prospectively, thereby enabling continued noncompliance with laws and regulations.

As of September 30, 2017, OIG noted continuing FFMIA noncompliance within HUD's Ginnie Mae component. Ginnie Mae's continued noncompliance is due primarily to unremediated material weaknesses in internal control over financial reporting and its inability to properly account for its defaulted issuer loan portfolio and to implement effective controls over budgetary accounting.

In addition to the specific financial system weaknesses identified above, unremediated material weaknesses stemming from a lack of systems and deficiencies related to manual processes continue to exist.

CHAPTER 11 – WHISTLEBLOWER PROGRAMS

Whistleblowers play a critical role in keeping government programs honest, efficient, and accountable. The U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), continues to ensure that HUD and HUD OIG employees are aware of their rights to disclose misconduct, waste, or abuse in HUD programs without reprisal and to assist HUD and HUD OIG employees in seeking redress when employees believe that they have been subject to retaliation for whistleblowing. HUD OIG also investigates complaints of whistleblower retaliation in government contracts and grants.

HUD OIG's Whistleblower Ombudsman Program works with HUD and HUD OIG employees to provide information on:

- employee options for disclosing misconduct, waste, or abuse in HUD programs;
- statutory protections for Federal employees who make such disclosures; and
- how to file a complaint under the Whistleblower Protection Act when an employee believes he or she has been retaliated against for making protected disclosures.

The HUD OIG Whistleblower Ombudsman Program continued its focus on staff training and individual assistance. HUD OIG employees attended mandatory whistleblower training in September 2016, in conjunction with the OIG annual ethics training. All HUD employees received this annual training in October 2016. The training is presented live and then posted on HUD's whistleblower web page.

Whistleblower training is also incorporated into HUD's new employee training. HUD OIG's Whistleblower Ombudsman also provided information on an individual basis to several HUD and HUD OIG employees seeking to understand their rights and options as whistleblowers.

Generally, HUD OIG will refer HUD employees with whistleblower retaliation complaints to the Office of Special Counsel. HUD OIG does not track these matters unless the Office of Special Counsel requests HUD OIG assistance in investigating a complaint. During this semiannual reporting period, HUD OIG did not investigate any whistleblower retaliation complaints by HUD employees.

HUD OIG did receive a number of complaints filed under 41 U.S.C (United States Code) 4712. In December 2016, Congress passed the Enhancement of Whistleblower Protection Act. It made the whistleblower protections under 41 U.S.C. 4712 permanent. Section 4712 extends whistleblower protection to employees of Federal contractors, subcontractors, and grantees. If the employee of a grantee or contractor believes he or she has been retaliated against for whistleblowing, he or she may file a complaint with OIG, and OIG will investigate the complaint. OIG is required to complete its investigation within 180 days unless the complainant agrees to an extension. The chart below provides further information on those complaints.

Number of complaints received	26
Number of complainants asserting whistleblower status¹³	26
Complaints referred for investigation to the HUD OIG Office of Investigation (OI)	12
Complaint investigations opened by OI	21
Complaints declined by OI	0
Complaints currently under review by OI	9
Employee complaint investigations closed by OI	3

¹³ 14 cases were referred to the hotline and determined to not have whistleblower status. Many complainants raise questions regarding treatment by public housing agencies (PHA) following alleging wrongdoing by the same PHA. They define themselves as whistleblowers but are not employees of the PHA. These complaints are referred to OIG's hotline for appropriate referral and disposition.

APPENDIX 1 – PEER REVIEW REPORTING

OFFICE OF AUDIT

BACKGROUND

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203), section 989C, requires inspectors general to report the latest peer review results in their semiannual reports to Congress. The purpose in doing so is to enhance transparency within the government. Both the Office of Audit and Office of Investigation are required to undergo a peer review of their individual organizations every 3 years. The purpose of the review is to ensure that the work completed by the respective organizations meets the applicable requirements and standards. The following is a summary of the status of the latest round of peer reviews for the organization.

PEER REVIEW CONDUCTED ON HUD OIG

The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), received a grade of pass (the highest rating) on the peer review report issued by the Treasury's Inspector General for Tax Administration on September 30, 2015. There were no recommendations included in the System Review Report. The report stated:

In our opinion, the system of quality control for the audit organization of the HUD OIG in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide the HUD OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The HUD OIG has received a peer review rating of pass.

PEER REVIEW CONDUCTED BY HUD OIG ON USPS OIG

HUD OIG conducted an external peer review of the United States Postal Service (USPS) OIG, Office of Audit, and issued a final report September 22, 2015. USPS OIG received a peer review rating of pass. A copy of the external quality control review report can be viewed at https://www.uspsoig.gov/sites/default/files/document-library-files/2015/2015_HUD-OIG_System_Review_Report.pdf.

OFFICE OF INVESTIGATION

PEER REVIEW CONDUCTED ON HUD OIG BY DHS OIG

The U.S. Department of Homeland Security (DHS) OIG conducted a peer review of the HUD OIG, Office of Investigation, and issued a final report on July 3, 2017. DHS OIG determined that HUD OIG was in compliance with the quality standards established by the Council of the Inspectors General on Integrity and Efficiency and the Attorney General's guidelines.

PEER REVIEW CONDUCTED BY HUD OIG ON USDA OIG

HUD OIG conducted an external peer review of the U.S. Department of Agriculture (USDA) OIG, Office of Investigation, and issued a final report on October 4, 2016. HUD OIG determined that USDA OIG was in compliance with the quality standards established by the Council of the Inspectors General on Integrity and Efficiency.

APPENDIX 2 – AUDIT REPORTS ISSUED

Internal Reports

AUDIT REPORTS	
CHIEF FINANCIAL OFFICER	
2017-DP-0003	New Core Project: Although Transaction Processing Had Improved Weaknesses Remained, 09/28/2017.
2017-FO-0006	HUD Did Not Comply With the Improper Payments Elimination and Recovery Act of 2010, 05/11/2017.
2017-KC-0009	Some HUD Employees Used Travel Cards for Potentially Improper Purchases and Purchase Cards Without All Required Approvals, 09/26/2017. Questioned: \$555,337. Unsupported: \$555,337.
2017-LA-0005	HUD Did Not Always Follow Applicable Requirements When Forgiving Debts and Terminating Debt Collections, 09/21/2017. Questioned: \$1,210,278. Better use: \$3,247,078.
COMMUNITY PLANNING AND DEVELOPMENT	
2017-AT-0001	HUD's Oversight of Section 108 Loans Was Not Adequate To Ensure Compliance With Program Requirements, 04/27/2017. Questioned: \$15,889,000. Unsupported: \$15,889,000. Better use: \$8,694,000.
2017-FW-0001	HUD's Office of Community Planning and Development Did Not Appropriately Assess State CDBG Grantees' Risk to the Integrity of CPD Programs or Adequately Monitor Its Grantees, 07/10/2017.
2017-KC-0004	CPD Did Not Follow the Departmental Clearance Process When It Issued the July 25, 2013, Guidance for Duplication of Benefits Requirements, 06/02/2017.
2017-LA-0006	HUD Did Not Administer Economic Development Initiative – Special Project and Neighborhood Initiative Congressional Grants in Accordance With Program Requirements, 09/21/2017. Questioned: \$4,530,560. Unsupported: \$4,187,560.
2017-NY-0002	HUD Could Improve Its Controls Over the Disposition of Real Properties Assisted With Community Development Block Grant Funds, 09/29/2017. Questioned: \$1,078,813. Unsupported: \$1,078,813.
2017-PH-0001	HUD Can Improve Its Oversight of Community Development Block Grant Direct Home-Ownership Assistance Activities, 09/05/2017. Questioned: \$227,260. Unsupported: \$227,260.
2017-PH-0002	HUD Did Not Provide Sufficient Guidance and Oversight To Ensure That State Disaster Grantees Followed Proficient Procurement Processes, 09/22/2017.
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	
2017-KC-0008	Ginnie Mae Did Not Adequately Respond to Changes in Its Issuer Base, 09/21/2017.

HOUSING	
2017-AT-1012	JPMorgan Chase Complied with the Market Rate Requirement for FHA Home Affordable Modification Program Stand-Alone Partial Claims, 09/15/2017.
2017-BO-1005	Health Concepts Ltd's., Providence, RI, Service Charges at Section 232 Program Nursing Homes Did Not Always Comply With Management Agreements, 04/21/2017.
2017-CH-1004	Alpine First Preston Joint Venture II, LLC, Alpine, UT, Did Not Always Comply With Its Contract With HUD and Its Own Requirements for the Marketing and Sale of HUD-Owned Properties in the State of IL, 08/11/2017.
2017-CH-1005	Stone Terrace Apartments, Chicago, IL, Did Not Always Comply With HUD's Requirements Regarding the Administration of Its Section 8 Housing Assistance Payments Program, 08/25/2017. Questioned: \$91,710. Unsupported: \$6,444. Better Use: \$76,673.
2017-CH-1006	The Cooperative and Management Agent Lacked Adequate Controls Over the Operation of Lakeview East Cooperative, Chicago, IL, 09/05/2017. Better Use: \$18,149,023.
2017-CH-1009	The Owner and Management Agents Lacked Adequate Controls Over the Operation of Mary Scott Nursing Center, Dayton, OH, 09/30/2017. Questioned: \$1,201,133. Unsupported: \$260,785. Better Use: \$1,976,621.
2017-CH-1011	BLM Companies LLC, Hurricane, UT, Did Not Provide Property Preservation and Protection Services in Accordance With Its Contract With HUD and Its Own Requirements, 09/30/2017. Questioned: \$25,805. Better Use: \$594,000.
2017-DE-1003	Baker Tower, Denver, CO, Incorrectly Disbursed Funds and Did Not Correctly Administer the Project's Security Deposit Account, 09/21/2017. Questioned: \$15,000.
2017-FW-1009	Beverly Place Apartments, Groves, TX, Subsidized Nonexistent Tenants, Unqualified Tenants, and Tenants With Questionable Qualifications, 06/29/2017. Questioned: \$802,633. Unsupported: \$227,703.
2017-FW-1011	BLM Companies LLC Failed To Ensure That It Protected and Preserved HUD Properties Under Its Field Service Manager Contract for Area 1D, 08/29/2017. Questioned: \$496,917. Unsupported: \$488,883. Better Use: \$891,000.
2017-LA-1004	Cypress Meadows Assisted Living, Antioch, CA, Was Not Administered in Accordance With Its Regulatory Agreement and HUD Requirements, 06/13/2017. Questioned: \$1,327,321. Unsupported: \$65,232. Better Use: \$412,723.
2017-NY-1011	MB Financial Bank, Rosemont, IL, Did Not Always Follow HUD's Underwriting Requirements but Generally Complied With Quality Control Requirements, 09/20/2017. Better Use: \$178,811.
2017-PH-1003	The Yorkville Cooperative, Fairfax, VA, Did Not Administer Its HUD-Insured Property and Housing Assistance Contract According to Applicable Requirements, 05/22/2017. Questioned: \$2,151,638. Unsupported: \$1,850,959.

2017-PH-1006	The Owner of Schwenckfeld Manor, Lansdale, PA, Did Not Always Manage Its HUD-Insured Property in Accordance With Applicable HUD Requirements, 09/25/2017. Questioned: \$2,478,492. Unsupported: \$2,478,492.
PUBLIC AND INDIAN HOUSING	
2017-KC-0007	HUD Subsidized 10,119 Units for Tenants Who Were Undercharged Flat Rents, 09/12/2017. Better use: \$6,324,625.
2017-NY-0001	HUD PIH's Required Conversion Program Was Not Adequately Implemented, 05/18/2017. Better use: \$75,540,916.
AUDIT-RELATED MEMORANDUMS ¹⁴	
CHIEF FINANCIAL OFFICER	
2017-FO-0802	Independent Attestation Review: U.S. Department of Housing & Urban Development, Office of Special Needs Assistance Continuum of Care, Regarding Drug Control Accounting for Fiscal Year 2016, 06/19/2017.
CHIEF PROCUREMENT OFFICER	
2017-KC-0801	Limited Review of HUD Government Purchase Card Transactions for Fiscal Year, 2017, 09/26/2017.
COMMUNITY PLANNING AND DEVELOPMENT	
2017-CF-0801	HUD Needs To Clarify Whether Illegal-Undocumented Aliens Are Eligible for Assistance Under the Housing Opportunities for Persons With AIDS Program, 08/21/2017.

¹⁴ The memorandum format is used to communicate the results of reviews not performed in accordance with generally accepted government auditing standards; to close out assignments with no findings and recommendations; to respond to requests for information; or to report on the results of a survey, an attestation engagement, or civil actions or settlements.

External Reports

AUDIT REPORTS	
COMMUNITY PLANNING AND DEVELOPMENT	
2017-AT-1004	Neighborhood Housing Services of South Florida, Miami, FL, Did Not Ensure That NSP2 Funds Were Used for Eligible Purposes and Sufficiently Supported, 05/08/2017. Questioned: \$287,560. Unsupported: \$228,037.
2017-AT-1005	The Miami-Dade County Homeless Trust Did Not Always Properly Administer Its Continuum of Care Program, 05/24/2017. Questioned: \$98,433. Unsupported: \$98,433.
2017-AT-1007	The City of Atlanta, GA, Did Not Properly Administer the Neighborhood Stabilization Program Grants for Its Subrecipient in Accordance With Requirements, 07/17/2017. Questioned: \$48,985. Unsupported: \$48,985. Better use: \$248,596.
2017-AT-1008	The City of Birmingham, AL, Did Not Ensure That Adequate Policies and Procedures Were Implemented for Its Internal Audits and Procurement Process, 07/21/2017.
2017-AT-1009	Louisville Metro, Louisville, KY, Did Not Always Administer Its HOPWA Program in Accordance With HUD's and Its Own Requirements, 07/21/2017. Questioned: \$45,174. Unsupported: \$31,157.
2017-AT-1013	The City of Chattanooga, TN, Did Not Always Administer Its ESG Program in Accordance With HUD's Requirements, 09/28/2017. Questioned: \$13,763. Unsupported: \$13,763.
2017-AT-1014	The City of Jacksonville, FL's HOME Investment Partnerships Program Was Not Always Administered in Accordance With HUD Requirements, 09/29/2017.
2017-CH-1008	Travelers Aid Society of Metropolitan Detroit, Detroit, MI, Did Not Always Administer Its Continuum of Care Program in Accordance With Federal Regulations, 09/28/2017. Questioned: \$2,309,247. Unsupported: \$2,308,082.
2017-CH-1010	DuPage County, IL, Did Not Always Comply With Federal Requirements Regarding the Administration of Its Community Development Block Grant Disaster Recovery Program, 09/30/2017. Questioned: \$98,507. Unsupported: \$98,507. Better use: \$569,391.
2017-FW-1004	St. Tammany Parish, Mandeville LA, Did Not Always Administer Its CDBG Disaster Recovery Grant in Accordance With HUD Requirements or as Certified, 04/06/2017. Questioned: \$451,894. Unsupported: \$451,894. Better use: \$8,679,994.
2017-FW-1010	The City of Albuquerque, NM, Did Not Administer Its Community Development Block Grant Program in Accordance With Requirements, 08/16/2017. Questioned: \$2,902,765. Unsupported: \$1,067,717. Better use: \$9,476.
2017-FW-1012	The City of New Orleans, New Orleans, LA, Did Not Always Properly Administer Its HOME Program, 09/06/2017. Questioned: \$7,630,732. Unsupported: \$5,800,895. Better use: \$9,339,983.

2017-FW-1013	The Fort Bend County Community Development Department, Richmond, TX, Did Not Always Comply With Office of Community Planning and Development Program Requirements, 09/14/2017. Questioned: \$240,010. Unsupported: \$240,010. Better use: \$26,173.
2017-LA-1001	Clark County, NV, Did Not Always Use Community Development Block Grant Funds in Accordance With HUD Requirements, 04/13/2017. Questioned: \$4,960,761. Unsupported: \$4,841,041. Better use: \$33,603.
2017-LA-1003	Mental Health Systems, Inc., San Diego, CA, Did Not Allocate Payroll Costs in Accordance With Requirements, 06/02/2017. Questioned: \$142,181. Unsupported: \$142,181.
2017-LA-1005	The City of Huntington Park, CA, Did Not Administer Its Community Development Block Grant Program in Accordance With Requirements, 06/16/2017. Questioned: \$821,242. Unsupported: \$813,919. Better use: \$328,918.
2017-LA-1006	The City of Fresno, CA, Did Not Administer Its Community Development Block Grant in Accordance With HUD Requirements, 08/09/2017. Questioned: \$8,073,084. Unsupported: \$7,909,529. Better use: \$428,373.
2017-LA-1008	The City of Las Vegas, NV, Did Not Administer Its Neighborhood Stabilization Program 3 Homebuyer Assistance Program in Accordance with HUD Requirements, 09/13/2017. Questioned: \$1,590. Better use: \$500,794.
2017-NY-1009	The Lower Manhattan Development Corporation, New York, NY, Generally Disbursed CDBG Disaster Recovery Funds in Accordance With HUD Regulations, 06/13/2017.
2017-NY-1010	The State of New York Did Not Show That Disaster Recovery Funds Under Its Non-Federal Share Match Program Were Used for Eligible and Supported Costs, 09/15/2017. Questioned: \$18,782,054. Unsupported: \$18,782,054. Better use: \$8,932,630.
2017-NY-1012	The City of New York, NY, Could Improve Its Invoice Review Process Before Disbursing Disaster Funds Under Its Public Housing Rehabilitation and Resilience Program, 09/21/2017.
2017-PH-1005	The State of New Jersey Did Not Always Disburse Disaster Funds for Its Sandy Homebuyer Assistance Program To Assist Eligible Home Buyers, 08/14/2017. Questioned: \$987,500.
2017-SE-1001	The Washington County, OR, Department of Housing Services' Clover Court Project Was Eligible For Continuum of Care Funding, 09/21/2017.
HOUSING	
2017-AT-1012	JPMorgan Chase Complied with the Market Rate Requirement for FHA Home Affordable Modification Program Stand-Alone Partial Claims, 09/15/2017.
2017-BO-1005	Health Concepts Ltd's., Providence, RI, Service Charges at Section 232 Program Nursing Homes Did Not Always Comply With Management Agreements, 04/21/2017.

2017-CH-1004	Alpine First Preston Joint Venture II, LLC, Alpine, UT, Did Not Always Comply With Its Contract With HUD and Its Own Requirements for the Marketing and Sale of HUD-Owned Properties in the State of IL, 08/11/2017.
2017-CH-1005	Stone Terrace Apartments, Chicago, IL, Did Not Always Comply With HUD's Requirements Regarding the Administration of Its Section 8 Housing Assistance Payments Program, 08/25/2017. Questioned: \$91,710. Unsupported: \$6,444. Better Use: \$76,673.
2017-CH-1006	The Cooperative and Management Agent Lacked Adequate Controls Over the Operation of Lakeview East Cooperative, Chicago, IL, 09/05/2017. Better Use: \$18,149,023.
2017-CH-1009	The Owner and Management Agents Lacked Adequate Controls Over the Operation of Mary Scott Nursing Center, Dayton, OH, 09/30/2017. Questioned: \$1,201,133. Unsupported: \$260,785. Better Use: \$1,976,621.
2017-CH-1011	BLM Companies LLC, Hurricane, UT, Did Not Provide Property Preservation and Protection Services in Accordance With Its Contract With HUD and Its Own Requirements, 09/30/2017. Questioned: \$25,805. Better Use: \$594,000.
2017-DE-1003	Baker Tower, Denver, CO, Incorrectly Disbursed Funds and Did Not Correctly Administer the Project's Security Deposit Account, 09/21/2017. Questioned: \$15,000.
2017-FW-1009	Beverly Place Apartments, Groves, TX, Subsidized Nonexistent Tenants, Unqualified Tenants, and Tenants With Questionable Qualifications, 06/29/2017. Questioned: \$802,633. Unsupported: \$227,703.
2017-FW-1011	BLM Companies LLC Failed To Ensure That It Protected and Preserved HUD Properties Under Its Field Service Manager Contract for Area 1D, 08/29/2017. Questioned: \$496,917. Unsupported: \$488,883. Better Use: \$891,000.
2017-LA-1004	Cypress Meadows Assisted Living, Antioch, CA, Was Not Administered in Accordance With Its Regulatory Agreement and HUD Requirements, 06/13/2017. Questioned: \$1,327,321. Unsupported: \$65,232. Better Use: \$412,723.
2017-NY-1011	MB Financial Bank, Rosemont, IL, Did Not Always Follow HUD's Underwriting Requirements but Generally Complied With Quality Control Requirements, 09/20/2017. Better Use: \$178,811.
2017-PH-1003	The Yorkville Cooperative, Fairfax, VA, Did Not Administer Its HUD-Insured Property and Housing Assistance Contract According to Applicable Requirements, 05/22/2017. Questioned: \$2,151,638. Unsupported: \$1,850,959.
2017-PH-1006	The Owner of Schwenckfeld Manor, Lansdale, PA, Did Not Always Manage Its HUD-Insured Property in Accordance With Applicable HUD Requirements, 09/25/2017. Questioned: \$2,478,492. Unsupported: \$2,478,492.
PUBLIC AND INDIAN HOUSING	
2017-AT-1006	The Housing Authority of DeKalb County, Decatur, GA, Generally Administered RAD Appropriately but Did Not Accurately Report on Its Capital Fund Program, 06/09/2017. Better use: \$1,157,864.

2017-AT-1010	The Louisville Metro Housing Authority, Louisville, KY, Did Not Comply With HUD's and Its Own Section 8 Housing Choice Voucher Program Requirements, 08/04/2017. Questioned: \$73,484. Better use: \$20,566,345.
2017-AT-1011	The Lexington Housing Authority, Lexington, NC, Did Not Administer Its RAD Conversion in Accordance With HUD Requirements, 08/21/2017. Questioned: \$2,751,164. Unsupported: \$2,745,252.
2017-BO-1004	The Boston Housing Authority, Boston, MA, Housed Eligible Tenants and Correctly Calculated Voucher Subsidies, 04/05/2017.
2017-BO-1006	The West Warwick Housing Authority, West Warwick, RI, Needs To Improve Its Compliance With Federal Regulations for Its Housing Choice Voucher and Public Housing Programs, 08/18/2017. Questioned: \$2,089,134. Unsupported: \$2,086,382. Better use: \$6,100.
2017-BO-1007	The Housing Authority of the City of Hartford, CT, Did Not Always Comply With Procurement Requirements, 09/21/2017. Questioned: \$4,057,981. Unsupported: \$2,533,377. Better use: \$1,617,680.
2017-CH-1002	The Youngstown Metropolitan Housing Authority, Youngstown, OH, Did Not Always Comply With HUD's and Its Own Requirements Regarding the Administration of Its Housing Choice Voucher Program, 07/07/2017. Questioned: \$481,063. Unsupported: \$413,278. Better use: \$529,150.
2017-CH-1003	The Housing Authority of the City of Hammond, Hammond, IN, Did Not Always Comply With HUD's Requirements Regarding the Administration of Its Housing Choice Voucher Program, 07/14/2017. Questioned: \$53,207. Unsupported: \$2,843. Better use: \$35,548.
2017-CH-1007	The Menard County Housing Authority, Petersburg, IL, Did Not Comply With HUD's and Its Own Requirements Regarding the Administration of Its Housing Choice Voucher Program, 09/28/2017. Questioned: \$901,594. Unsupported: \$360,770. Better use: \$117,494.
2017-DE-1002	The Denver Housing Authority, Denver, CO, Generally Complied With Procurement Regulations, 08/18/2017.
2017-FW-1005	The Hammond Housing Authority's, Hammond, LA, Administration of Its Housing Choice Voucher Program Had Weaknesses, 04/25/2017. Questioned: \$34,374. Unsupported: \$30,183.
2017-FW-1006	The Housing Authority of the City of Jasper, TX, Did Not Operate Its Public Housing Programs in Compliance With HUD's Requirements, 04/26/2017. Questioned: \$91,956. Unsupported: \$45,646.
2017-FW-1007	The Housing Authority of the City of Tulsa, Tulsa, OK, Did Not Always Correctly Compute Housing Assistance Payments, 05/17/2017. Questioned: \$41,313. Unsupported: \$28,574.
2017-FW-1008	The Weslaco Housing Authority, Weslaco, TX, Paid Travel Costs That Did Not Comply With Federal, State, and Local Requirements, 06/28/2017. Questioned: \$23,138. Unsupported: \$9,020.

2017-KC-1003	Majestic Management, LLC, St. Louis, MO, a Management Agent for the East St. Louis Housing Authority, Mismanaged Its Public Housing Program, 09/26/2017. Questioned: \$1,165,110. Unsupported: \$1,055,445.
2017-LA-1002	The Inglewood Housing Authority, Inglewood, CA, Generally Ensured the Eligibility of Its Housing Choice Voucher Program Participants, 05/11/2017. Questioned: \$84. Better use: \$648.
2017-LA-1007	The Chukchansi Indian Housing Authority, Oakhurst, CA, Did Not Always Follow HUD's Requirements for Its Indian Housing Block Grant Program, 08/24/2017. Questioned: \$1,747,206. Unsupported: \$1,747,206. Better use: \$248,222.
2017-NY-1013	The New Brunswick Housing Authority, NJ, Did Not Always Administer Its Operating and Capital Funds In Accordance With HUD Requirements, 09/28/2017. Questioned: \$1,431,873. Unsupported: \$1,205,334.
2017-PH-1004	The Loudoun County Department of Family Services, Leesburg, VA, Did Not Always Ensure That Its Program Units Met Housing Quality Standards, 06/09/2017. Questioned: \$9,715.
2017-PH-1007	The Chester Housing Authority, Chester, PA, Did Not Always Ensure That Its Program Units Met Housing Quality Standards, 09/28/2017. Questioned: \$46,605. Better use: \$2,668,680.
2017-SE-1002	The Housing Authority of Snohomish County, Everett, WA, Did Not Always Administer Its Section 8 Project-Based Voucher Program in Accordance With HUD Regulations, 09/29/2017.
AUDIT-RELATED MEMORANDUMS¹⁵	
COMMUNITY PLANNING AND DEVELOPMENT	
2017-AT-1802	San Sebastian Fine Arts Center, Office of the Commissioner for Municipal Affairs, San Juan, PR, State Block Grant Program, 09/15/2017. Questioned: \$1,014,211. Unsupported: \$1,014,211.
GENERAL COUNSEL	
2017-AT-1801	Final Civil Action: Prospect Mortgage, LLC, Settled Alleged Violations of Federal Housing Administration Loan Requirements, 08/21/2017. Questioned: \$2,930,000.
2017-CF-1804	Financial Freedom, a Division of CIT Bank, N.A., Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Servicing Requirements for HECM Claims, 08/21/2017. Questioned: \$41,000,000.
2017-CF-1805	First American Mortgage Trust Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements, 09/18/2017. Questioned: \$250,000.
2017-CF-1806	Final Civil Action: PHH Corporation Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements, 09/28/2017. Questioned: \$42,600,000.

¹⁵ The memorandum format is used to communicate the results of reviews not performed in accordance with generally accepted government auditing standards; to close out assignments with no findings and recommendations; to respond to requests for information; or to report on the results of a survey, an attestation engagement, or civil actions or settlements.

2017-CF-1807	Residential Home Funding Corp. Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements, 09/28/2017. Questioned: \$1,670,000.
2017-PH-1802	Final Civil Action Borrower Settled Allegations of Making False Statements to HUD for a Home Purchase Under the Federal Housing Administration Mortgage Insurance Program, 06/28/2017. Questioned: \$10,000.
HOUSING	
2017-LA-1801	Venta Financial Group, Inc., Las Vegas, NV, Improperly Originated FHA-Insured Loans With Restrictive Covenants, 09/20/2017. Questioned: \$5,482. Better Use: \$418,277.
2017-LA-1802	SecurityNational Mortgage Company, Las Vegas, NV, Improperly Originated FHA Loans for Properties With Restrictive Covenants, 09/22/2017. Questioned: \$26,472. Better use: \$381,823.
2017-LA-1803	RMS & Associates, Las Vegas, NV, Improperly Originated FHA-Insured Loans With Restrictive Covenants, 09/28/2017. Questioned: \$26,242. Better use: \$2,434,204.

APPENDIX 3 – TABLES

TABLE A

AUDIT REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AT 9/30/2017

*Significant audit reports described in previous Semiannual Reports

REPORT NUMBER AND TITLE	REASON FOR LACK OF MANAGEMENT DECISION	ISSUE DATE
* 2014-FO-0003 Additional Details To Supplement Our Report On HUD's Fiscal Years 2013 and 2012 (Restated) Financial Statements	See chapter 10, page 41	12/16/2013
* 2014-FO-0004 HUD's Fiscal Year 2013 Compliance With the Improper Payments Elimination and Recovery Act of 2010	See chapter 10, page 42	04/15/2014
* 2014-LA-0005 HUD Did Not Always Recover FHA Single-Family Indemnification Losses and Ensure That Indemnification Agreements Were Extended	See chapter 10, page 43	08/08/2014
* 2015-FO-0003 Audit of the Government National Mortgage Association's Financial Statements for Fiscal Years 2014 and 2013	See chapter 10, page 44	02/27/2015
* 2016-FO-0001 Audit of Fiscal Years 2015 and 2014 (Restated) Financial Statements	See chapter 10, page 44	11/13/2015
* 2016-FO-0003 Additional Details To Supplement Our Fiscal Years 2015 and 2014 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	See chapter 10, page 45	11/18/2015
* 2016-PH-0001 HUD Did Not Always Provide Adequate Oversight of Property Acquisition and Disposition Activities	See chapter 10, page 46	06/30/2016
* 2016-FO-0802 Independent Attestation Review: U.S. Department of Housing and Urban Development, DATA Act Implementation Efforts	See chapter 10, page 47	08/26/2016
* 2016-PH-0005 HUD Did Not Always Provide Accurate and Supported Certifications of State Disaster Grantee Procurement Processes	See chapter 10, page 48	09/29/2016
* 2017-FO-0001 Audit of Fiscal Years 2016 and 2015 (Restated) Financial Statements	See chapter 10, page 49	11/14/2016

REPORT NUMBER AND TITLE	REASON FOR LACK OF MANAGEMENT DECISION	ISSUE DATE
* 2017-FO-0003 Additional Details To Supplement Our Fiscal Years 2016 and 2015 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	See chapter 10, page 50	11/15/2016
* 2017-DP-0001 HUD's Transition to a Federal Shared Service Provider Failed To Meet Expectations	See chapter 10, page 50	02/01/2017

TABLE B

SIGNIFICANT AUDIT REPORTS FOR WHICH FINAL ACTION HAD NOT BEEN COMPLETED WITHIN 12 MONTHS AFTER THE DATE OF THE INSPECTOR GENERAL'S REPORT

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2005-AT-1013	Corporacion para el Fomento Economico de la Ciudad Capital, San Juan, Puerto Rico, Did Not Administer Its Independent Capital Fund in Accordance with HUD Requirements	09/15/2005	01/11/2006	Note 1
2007-AT-1010	The Cathedral Foundation of Jacksonville, FL, Used More Than \$2.65 Million in Project Funds for Questioned Costs	08/14/2007	12/03/2007	Note 2
2009-NY-1012	The City of Rome Did Not Administer Its Economic Development Activity in Accordance With HUD Requirements, Rome, NY	05/20/2009	09/23/2009	01/30/2032
2009-CH-1011	The Housing Authority of the City of Terre Haute Failed To Follow Federal Requirements and Its Employment Contract Regarding Nonprofit Development Activities, Terre Haute, IN	07/31/2009	11/24/2009	Note 2
2009-AT-0001	HUD Lacked Adequate Controls to Ensure the Timely Commitment and Expenditure of HOME funds	09/28/2009	03/18/2011	Note 1
2010-AT-1003	The Housing Authority of Whitesburg Mismanaged Its Operations, Whitesburg, KY	04/28/2010	08/26/2010	11/29/2035
2010-PH-1008	Sasha Bruce Youthwork, Incorporated, Did Not Support More Than \$1.9 Million in Expenditures, Washington, DC	05/11/2010	11/03/2010	Note 2
2010-CH-1008	The DuPage Housing Authority Inappropriately Administered Its Section 8 Project-Based Voucher Program, Wheaton, IL	06/15/2010	10/08/2010	10/31/2017
2011-FO-0003	Additional Details to Supplement Our Report on HUD's Fiscal Years 2010 and 2009 Financial Statements	11/15/2010	08/08/2011	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2011-PH-1005	The District of Columbia Did Not Administer Its HOME Program in Accordance With Federal Requirements, Washington, DC	12/23/2010	04/22/2011	Note 1
2011-CH-1006	The DuPage Housing Authority Inappropriately Administered Its Section 8 Housing Choice Voucher Program, Wheaton, IL	03/23/2011	07/28/2011	10/31/2017
2011-AT-1006	The Municipality of Mayaguez Did Not Ensure Compliance With HOME Program Objectives, Mayaguez, PR	04/08/2011	08/05/2011	03/02/2018
2011-NY-1010	The City of Buffalo Did Not Always Administer Its CDBG Program in Accordance With HUD Requirements, Buffalo, NY	04/15/2011	01/25/2012	Note 2
2011-AT-1018	The Municipality of San Juan Did Not Properly Manage Its HOME Investment Partnerships Program, San Juan, PR	09/28/2011	01/12/2012	09/12/2018
2012-NY-1002	The City of New York Charged Questionable Expenditures to Its HPRP, New York, NY	10/18/2011	02/16/2012	Note 1
2012-PH-0001	HUD Needed To Improve Its Use of Its Integrated Disbursement and Information System To Oversee Its CDBG Program	10/31/2011	02/28/2012	Note 1
2012-LA-0001	HUD Did Not Adequately Support the Reasonableness of the Fee-for-Service Amounts or Monitor the Amounts Charged	11/16/2011	03/27/2012	12/31/2017
2012-AT-1009	The Municipality of Bayamón Did Not Always Ensure Compliance With HOME Investment Partnerships Program Requirements, Bayamon, PR	05/23/2012	09/18/2012	Note 1
2012-PH-1011	Prince George's County Generally Did Not Administer Its HOME Program in Accordance With Federal Requirements, Largo, MD	08/03/2012	11/30/2012	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2012-CH-1012	The Saginaw Housing Commission Did Not Always Administer Its Section 8 Housing Choice Voucher Program in Accordance With HUD's and Its Own Requirements, Saginaw, MI	09/27/2012	01/07/2013	01/01/2023
2012-CH-1013	The Flint Housing Commission Did Not Always Administer Its Grants in Accordance With Recovery Act, HUD's, and Its Own Requirements, Flint, MI	09/27/2012	01/24/2013	01/31/2018
2013-PH-1001	Luzerne County Did Not Properly Evaluate, Underwrite, and Monitor a High-Risk Loan, Wilkes-Barre, PA	10/31/2012	01/31/2013	Note 1
2013-FO-0003	Additional Details To Supplement Our Report on HUD's Fiscal Years 2012 and 2011 Financial Statements	11/15/2012	05/15/2013	Note 1
2013-LA-1003	Bay Vista Methodist Heights Violated Its Agreement With HUD When Administering Its Trust Funds, San Diego, CA	03/14/2013	05/15/2013	Note 1
2013-AT-1003	The Municipality of Arecibo Did Not Always Ensure Compliance With CDBG Program Requirements, Arecibo, PR	03/22/2013	06/14/2013	Note 1
2013-FW-1004	The Housing Authority of the City of El Paso Did Not Follow Recovery Act Obligation Requirements or Procurement Policies, El Paso, TX	04/12/2013	08/27/2013	07/10/2018
2013-NY-1006	Nassau County Did Not Administer It's HOME Investment Partnerships Program in Accordance With HUD Requirements, Nassau County, NY	05/13/2013	09/06/2013	Note 1
2013-KC-0002	HUD Did Not Enforce the Reporting Requirements of Section 3 of the Housing and Urban Development Act of 1968 for Public Housing Authorities	06/26/2013	10/24/2013	Note 1
2013-LA-1009	The City of Hawthorne Inappropriately Used Nearly \$1.6 Million in HOME Funds for Section 8 Tenants, Hawthorne, CA	09/13/2013	01/06/2014	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2013-LA-1010	The City of Hawthorne Did Not Administer Its CDBG Program Cost Allocations in Accordance With HUD Rules and Requirements, Hawthorne, CA	09/20/2013	01/06/2014	Note 1
2013-FW-1805	The Malakoff Housing Authority Did Not Have Sufficient Controls Over Its Public Housing Programs, Including Its Recovery Act Funds, Malakoff, TX	09/26/2013	12/19/2013	04/30/2036
2013-NY-1010	The City of Auburn Did Not Always Administer Its CDBG Program in Accordance With HUD Requirements, Auburn, NY	09/26/2013	01/24/2014	Note 1
2013-CH-1009	The Flint Housing Commission Did Not Always Administer Its Grant in Accordance With Recovery Act, HUD's, and Its Own Requirements, Flint, MI	09/27/2013	01/14/2014	04/30/2018
2013-CH-1010	The City of Toledo Did Not Always Administer Its CDBG-R Program in Accordance With HUD's and Its Own Requirements, Toledo, OH	09/30/2013	01/15/2014	Note 1
2013-CH-1011	The Michigan State Housing Development Authority Did Not Follow HUD's Requirements Regarding the Administration of Its Program, Lansing, MI	09/30/2013	01/15/2014	07/31/2029
2013-CH-1012	The Hamtramck Housing Commission Did Not Administer Its Grant in Accordance With Recovery Act, HUD's, and Its Own Requirements, Hamtramck, MI	09/30/2013	01/21/2014	04/30/2018
2013-DE-1005	The Jefferson County Housing Authority Did Not Properly Use Its Disposition Sales Proceeds, Wheat Ridge, CO	09/30/2013	01/24/2014	02/28/2020
2014-AT-1001	The Municipality of Arecibo Did Not Properly Administer Its HOME Program, Arecibo, PR	12/03/2013	01/24/2014	Note 1
2014-FO-0001	Government National Mortgage Association Fiscal Years 2013 and 2012 Financial Statements Audit	12/06/2013	05/02/2014	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2014-FO-0002	Federal Housing Administration Fiscal Years 2013 and 2012 Financial Statements Audit	12/13/2013	04/14/2014	Note 1
2014-FO-0003	Additional Details To Supplement Our Report On HUD's Fiscal Years 2013 and 2012 (Restated) Financial Statements	12/16/2013	07/09/2014	Note 3
2014-PH-1001	The City of Norfolk Generally Failed To Justify Its CDBG Activities, Norfolk, VA	12/17/2013	04/16/2014	Note 1
2014-AT-1004	The State of Mississippi Did Not Ensure That Its Subrecipient and Appraisers Complied With Requirements, and It Did Not Fully Implement Adequate Procedures For Its Disaster Infrastructure Program, Jackson, MS	12/30/2013	04/15/2014	Note 1
2014-CH-1002	The City of Detroit Lacked Adequate Controls Over Its Neighborhood Stabilization Program-Funded Demolition Activities Under the Housing and Economic Recovery Act of 2008, Detroit, MI	01/06/2014	05/05/2014	Note 2
2014-FW-0001	The Boston Office of Public Housing Did Not Provide Adequate Oversight of Environmental Reviews of Three Housing Agencies, Including Reviews Involving Recovery Act Funds	02/07/2014	03/17/2015	12/31/2018
2014-NY-0001	HUD Did Not Provide Effective Oversight of Section 202 Multifamily Project Refinances	02/19/2014	06/10/2014	Note 1
2014-AT-0001	Violations Increased the Cost of Housing's Administration of Its Bond Refund Program	03/14/2014	07/11/2014	Note 1
2014-AT-1801	Vieques Sports City Complex, Office of the Commissioner for Municipal Affairs, Section 108 Loan Guarantee Program, San Juan, PR	03/20/2014	07/11/2014	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2014-FO-0004	HUD's Fiscal Year 2013 Compliance With the Improper Payments Elimination and Recovery Act of 2010	04/15/2014	01/07/2015	Note 3
2014-CH-1003	The Hamtramck Housing Commission Did Not Always Administer Its Grant in Accordance With Recovery Act, HUD's, or Its Own Requirements, Hamtramck, MI	04/30/2014	08/08/2014	04/30/2018
2014-FW-0002	Improvements Are Needed Over Environmental Reviews of Public Housing and Recovery Act Funds in the Kansas City Office	05/12/2014	03/17/2015	12/31/2018
2014-AT-1005	The City of Huntsville, Community Development Department, Did Not Adequately Account for and Administer the Mirabeau Apartments Project, Huntsville, AL	05/29/2014	09/23/2014	Note 1
2014-NY-1005	Financial and Administrative Control Weaknesses Existed in Middlesex County, NJ's HOME Investment Partnerships Program, Middlesex County, NJ	06/10/2014	07/17/2014	Note 1
2014-LA-0004	HUD Could Not Support the Reasonableness of the Operating and Capital Fund Programs' Fees and Did Not Adequately Monitor Central Office Cost Centers	06/30/2014	10/20/2014	12/31/2017
2014-KC-0002	The Data in CAIVRS [Credit Alert Verification Reporting System] Did Not Agree With the Data in FHA's Default and Claims Systems	07/02/2014	10/27/2014	10/12/2018
2014-NY-1008	Palladia, Inc., Did Not Administer Its Supportive Housing Program in Accordance With HUD Requirements, New York, NY	07/25/2014	11/21/2014	Note 1
2014-AT-1007	The Municipality of Carolina Did Not Properly Administer Its HOME Program, Carolina, PR	08/08/2014	12/05/2014	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2014-LA-0005	HUD Did Not Always Recover FHA Single-Family Indemnification Losses and Ensure That Indemnification Agreements Were Extended	08/08/2014	12/03/2014	Note 3
2014-CH-1006	The Goshen Housing Authority Failed To Follow HUD's and Its Own Requirements Regarding the Administration of Its Program, Goshen, IN	08/14/2014	01/21/2015	01/31/2018
2014-LA-1005	The City of Richmond Did Not Administer Its NSP (Neighborhood Stabilization Program) in Accordance With Requirements, Richmond, CA	08/22/2014	12/19/2014	11/30/2017
2014-PH-1008	The State of New Jersey Did Not Fully Comply With Federal Procurement and Cost Principle Requirements in Implementing Its Tourism Marketing Program	08/29/2014	09/02/2015	Note 1
2014-NY-0003	Asset Repositioning Fees for Public Housing Authorities With Units Approved for Demolition or Disposition Were Not Always Accurately Calculated	09/04/2014	12/29/2014	12/31/2020
2014-AT-1010	Miami-Dade County Did Not Always Properly Administer Its HOME Program, Miami, FL	09/11/2014	12/11/2014	Note 1
2014-NY-1009	The City of Jersey City's HOME Investment Partnerships Program Administration Had Financial and Administrative Controls Weaknesses, City of Jersey City, NJ	09/18/2014	01/13/2015	Note 1
2014-FW-0005	Improvements Are Needed Over Environmental Reviews of Public Housing and Recovery Act Funds in the Detroit Office	09/24/2014	03/17/2015	12/31/2018
2014-LA-1007	The City of Los Angeles Did Not Always Ensure That CDBG-Funded Projects Met National Program Objectives, Los Angeles, CA	09/29/2014	01/27/2015	Note 2

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2014-CH-0001	HUD Did Not Always Provide Adequate Oversight of Its Property-Flipping Waiver Requirements	09/30/2014	03/24/2015	Note 1
2015-DP-0001	Information System Control Weaknesses Identified in the Single Family Housing Enterprise Data Warehouse	10/21/2014	12/12/2014	Note 1
2015-FO-0001	Audit of the Federal Housing Administration's Financial Statements for Fiscal Years 2014 and 2013	11/14/2014	04/14/2015	Note 1
2015-NY-1001	The City of New York Did Not Always Disburse CDBG Disaster Recovery Assistance Funds to Its Subrecipient in Accordance With Federal Regulations, New York, NY	11/24/2014	03/23/2015	Note 1
2015-AT-1001	The Office of the Commissioner for Municipal Affairs Needs To Make Improvements in Administering Its Section 108 Loan Guarantee Program, San Juan, PR	12/05/2014	04/03/2015	Note 1
2015-FO-0002	Interim Report on HUD's Internal Controls Over Financial Reporting	12/08/2014	09/28/2015	Note 2
2015-DP-0004	Office of the Chief Financial Officer Loan Accounting System	12/09/2014	04/17/2015	Note 1
2015-PH-1804	Final Civil Action Court Ordered a Former Executive Director of the Philadelphia Housing Authority To Pay Civil Penalties for Violating Federal Lobbying Disclosure Requirements and Restrictions	02/19/2015	09/13/2016	Note 2
2015-CH-1001	The Chicago Housing Authority Moving to Work Housing Choice Voucher Program, Chicago, IL	02/24/2015	06/10/2015	04/01/2018
2015-FO-0003	Audit of the Government National Mortgage Association's Financial Statements for Fiscal Years 2014 and 2013	02/27/2015	06/25/2015	Note 3

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2015-AT-0001	HUD's Office of Community Planning and Development Did Not Always Pursue Remedial Actions but Generally Implemented Sufficient Controls for Administering Its Neighborhood Stabilization Program	03/31/2015	08/28/2015	Note 1
2015-NY-1005	The City of Paterson, NJ's HOME Investment Partnerships Program Controls Did Not Ensure Compliance With Regulations	04/30/2015	06/03/2015	Note 1
2015-FO-0005	Compliance With the Improper Payments Elimination and Recovery Act	05/15/2015	10/02/2015	08/31/2018
2015-NY-1006	First Niagara Bank, Lockport, NY, Did Not Always Properly Implement HUD's Loss Mitigation Requirements in Servicing FHA-Approved Mortgages	05/22/2015	11/19/2015	Note 2
2015-LA-1004	The Housing Authority of the County of San Bernardino, San Bernardino, CA, Used Shelter Plus Care Program Funds for Ineligible and Unsupported Participants	05/29/2015	09/16/2015	Note 1
2015-PH-1003	The State of New Jersey Did Not Comply With Federal Procurement and Cost Principle Requirements in Implementing Its Disaster Management System	06/04/2015	10/02/2015	Note 2
2015-FW-0001	HUD Did Not Adequately Implement or Provide Adequate Oversight To Ensure Compliance With Environmental Requirements	06/16/2015	10/07/2015	Note 2
2015-LA-0002	HUD Did Not Provide Adequate Oversight of the Section 184 Indian Home Loan Guarantee Program	07/06/2015	10/28/2015	12/31/2017
2015-LA-1005	NOVA Financial & Investment Corporation's FHA-Insured Loans With Downpayment Assistance Gifts Did Not Always Meet HUD Requirements	07/09/2015	09/11/2015	Note 2

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2015-PH-0003	HUD Did Not Adequately Oversee Enhanced Vouchers Administered by New York Agencies	07/29/2015	10/29/2015	10/31/2017
2015-CH-0001	HUD Did Not Always Provide Adequate Oversight of Its Section 203(k) Rehabilitation Loan Mortgage Insurance Program	07/31/2015	11/27/2015	11/17/2017
2015-KC-0002	The Office of Community Planning and Development's Reviews of Matching Contributions Were Ineffective and Its Application of Match Reductions Was Not Always Correct	08/11/2015	12/09/2015	Note 2
2015-AT-0002	HUD's Office of Multifamily Asset Management and Portfolio Oversight Did Not Comply With Its Requirements For Monitoring Management Agents' Costs	08/21/2015	12/16/2015	Note 1
2015-AT-1008	Broward County, Fort Lauderdale, FL, Did Not Properly Administer One of Its Projects and Did Not Comply With Some Match Requirements	08/23/2015	10/30/2015	Note 2
2015-NY-1010	New York State Did Not Always Administer Its Rising Home Enhanced Buyout Program in Accordance With Federal and State Regulations	09/17/2015	03/01/2016	Note 2
2015-NY-1011	Program Control Weaknesses Lessened Assurance That New York Rising Housing Recovery Program Funds Were Always Disbursed for Eligible Costs	09/17/2015	03/18/2016	Note 2
2015-CH-1008	The Housing Authority of the City of South Bend, IN, Did Not Always Comply with HUD Requirements and Its Own Policies Regarding the Administration of Its Section 8 Housing Choice Voucher Program	09/25/2015	01/22/2016	Note 2
2015-CH-1009	The State of Illinois' Administrator Lacked Adequate Controls Over the State's Community Development Block Grant Disaster Recovery Program-Funded Projects	09/30/2015	01/28/2016	01/30/2018

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2015-CH-1010	The Cooperative and Management Agent Lacked Adequate Controls Over the Operation of Carmen-Marine Apartments, Chicago, IL	09/30/2015	01/28/2016	Note 2
2015-KC-1012	LoanCare Did Not Always File Claims for Foreclosed-Upon Properties Held on Behalf of Ginnie Mae and Convey Them to FHA in a Timely Manner	09/30/2015	01/04/2016	Note 2
2015-LA-1009	loanDepot's FHA-Insured Loans With Downpayment Assistance Funds Did Not Always Meet HUD Requirements	09/30/2015	01/12/2016	Note 2
2015-LA-1010	loanDepot's FHA-Insured Loans With Golden State Finance Authority Downpayment Assistance Gifts Did Not Always Meet HUD Requirements	09/30/2015	01/12/2016	Note 2
2015-LA-1803	The City of Richmond, CA, Did Not Adequately Support Its Use of HUD-Funded Expenses for Its Filbert Phase 1 and Filbert Phase 2 Activities	09/30/2015	01/08/2016	12/31/2018
2016-FO-0001	Audit of Fiscal Years 2015 and 2014 (Restated) Financial Statements	11/13/2015	03/24/2016	Note 3
2016-FO-0002	Fiscal Years 2015 and 2014 Financial Statements Audit	11/16/2015	03/16/2016	Note 2
2016-FO-0003	Additional Details To Supplement Our Fiscal Years 2015 and 2014 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/18/2015	03/22/2016	Note 3
2016-DP-0801	Review of Information System Controls Over the Government National Mortgage Association	11/30/2015	03/30/2016	Note 2
2016-AT-1002	The Municipality of Toa Alta, PR, Did Not Properly Administer Its Section 108 Loan Guarantee Program	12/17/2015	04/12/2016	Note 2
2016-DP-0002	Single Family Insurance System and Single Family Insurance Claims Subsystem	12/21/2015	03/31/2016	Note 2

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2016-NY-1003	The City of Rochester, NY Did Not Always Administer Its Community Development Block Grant Program in Accordance With HUD Requirements	02/05/2016	06/17/2016	Note 2
2016-CH-0001	HUD Lacked Adequate Oversight of Public Housing Agencies' Compliance With Its Declaration of Trust Requirements	02/26/2016	06/20/2016	10/01/2019
2016-SE-1001	Homewood Terrace, Auburn, WA, Did Not Always Conduct Timely Reexaminations, Properly Request Assistance Payments, or Verify Income Information	03/09/2016	07/06/2016	Note 2
2016-NY-1006	New York State Did Not Always Disburse Community Development Block Grant Disaster Recovery Funds in Accordance With Federal and State Regulations	03/29/2016	07/27/2016	Note 2
2016-FW-0001	HUD Did Not Effectively Negotiate, Execute, or Manage Its Agreements Under the Intergovernmental Personnel Act	03/30/2016	05/04/2017	Note 2
2016-NY-1007	The City of Jersey City, NJ's Community Development Block Grant Program Had Administrative and Financial Control Weaknesses	03/30/2016	06/08/2016	Note 2
2016-FO-0005	Compliance With the Improper Payments Elimination and Recovery Act	05/13/2016	10/04/2016	09/30/2018
2016-AT-0001	HUD Did Not Enforce and Sufficiently Revise Its Underwriting Requirements for Multifamily Accelerated Processing Loans	05/20/2016	09/16/2016	Note 2
2016-PH-1003	The City of Camden, NJ, Did Not Ensure That Activities Always Complied With National Objective, Procurement, and Environmental Review Requirements	05/24/2016	09/12/2016	Note 2
2016-LA-1006	The Richmond Housing Authority, Richmond, CA, Mismanaged Its Financial Operations	06/03/2016	09/21/2016	05/01/2018
2016-AT-1006	The City of Miami Beach Did Not Always Properly Administer Its HOME Program	06/17/2016	10/05/2016	10/04/2017

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2016-BO-1003	The State of Connecticut Did Not Always Administer Its Neighborhood Stabilization Program in Compliance With HUD Regulations	06/28/2016	10/25/2016	10/25/2017
2016-PH-0001	HUD Did Not Always Provide Adequate Oversight of Property Acquisition and Disposition Activities	06/30/2016	02/16/2017	Note 3
2016-PH-0002	HUD Did Not Ensure That All Costs for Ginnie Mae's Contract With Burson-Marsteller Were Supported, Reasonable, and Necessary	07/23/2016	11/19/2016	11/30/2018
2016-PH-0003	HUD Did Not Ensure That Lenders Verified That FHA-Insured Properties in Flint, MI, Had Safe Water	07/29/2016	12/22/2016	12/20/2017
2016-AT-1009	The Members and Operator Did Not Comply With the Executed Regulatory Agreement and HUD's Requirements for Saltillo Assisted Living, Saltillo, MS	08/02/2016	11/30/2016	11/28/2017
2016-CH-1005	The Jefferson Metropolitan Housing Authority, Steubenville, OH, Failed To Manage Its Procurements and Contracts in Accordance With HUD's and Its Own Requirements	08/03/2016	11/17/2016	08/31/2019
2016-AT-1010	The Mobile Housing Board, Mobile, AL, Did Not Disclose an Apparent Conflict of Interest and Occupy One-Third of Its Public Housing Units	08/04/2016	11/18/2016	11/17/2017
2016-AT-1011	The Georgia Housing and Finance Authority, Atlanta, GA, Did Not Adequately Implement the Federal Housing Administration's Home Affordable Modification Program in Accordance With HUD's Requirements	08/05/2016	01/25/2017	10/27/2017
2016-NY-1009	The State of New York Had Weaknesses in Its Administration of the Tourism and Marketing Program	08/12/2016	12/09/2016	12/08/2017

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2016-KC-0001	HUD Did Not Collect an Estimated 1,361 Partial Claims Upon Termination of Their Related FHA-Insured Mortgages	08/17/2016	12/09/2016	12/08/2017
2016-PH-1005	The Richmond Redevelopment and Housing Authority, Richmond, VA, Did Not Always Charge Eligible and Reasonable Central Office Cost Center Fees	08/17/2016	12/13/2016	12/13/2017
2016-CH-1006	The Housing Authority of the City of Muncie, Muncie, IN, Did Not Always Comply With HUD's Requirements and Its Own Policies Regarding the Administration of Its Housing Choice Voucher Program	08/23/2016	12/21/2016	12/31/2017
2016-LA-1008	The Dolores Frances Affordable Housing Project, Los Angeles, CA, Was Not Administered in Accordance With Its Regulatory Agreement and HUD Requirements	08/26/2016	12/12/2016	12/08/2017
2016-LA-1009	The City and County of Honolulu, HI, Did Not Administer Its Community Development Block Grant in Accordance With Requirements	08/26/2016	12/12/2016	03/30/2018
2016-AT-1012	The Municipality of Bayamon, PR, Did Not Always Ensure Compliance With HUD Program Requirements	08/29/2016	12/15/2016	12/09/2017
2016-DP-0003	Additional Review of Information System Controls Over FHA Information Systems	08/31/2016	12/22/2016	12/21/2017
2016-FW-1006	The State of Louisiana's Subrecipient Did Not Always Comply With Its Agreement and HUD Requirements When Administering Its Disaster Assistance Programs	08/31/2016	12/16/2016	12/16/2017
2016-LA-1011	Evergreen Home Loans, Las Vegas, NV, Branch Did Not Always Comply With HUD FHA Origination Regulations	09/12/2016	01/04/2017	01/03/2018
2016-NY-0001	Operating Fund Calculations Were Not Always Adequately Verified	09/12/2016	12/22/2016	01/01/2018

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2016-AT-1013	The Sanford Housing Authority, Sanford, NC, Did Not Comply With HUD's and Its Own Section 8 Housing Choice Voucher Program Requirements	09/13/2016	12/16/2016	12/12/2017
2016-DP-0004	HUD Rushed the Implementation of Phase 1 Release 3 of the New Core Project	09/20/2016	01/10/2017	12/05/2017
2016-KC-0002	Ginnie Mae Improperly Allowed Uninsured Loans To Remain in Mortgage-Backed Securities Pools	09/21/2016	01/04/2017	12/16/2017
2016-PH-1007	The Housing Authority of the City of Annapolis, MD, Did Not Always Follow Applicable Procurement Requirements	09/27/2016	01/25/2017	01/31/2018
2016-KC-1006	The City of Joplin, MO, Did Not Always Comply With the Requirements of Section 3 of the Housing and Urban Development Act of 1968 for Its Disaster Recovery Program	09/28/2016	01/12/2017	01/20/2018
2016-CH-1008	P.K. Management Group, Inc., Doral, FL, Did Not Always Provide Property Preservation and Protection Services in Accordance With Its Contract With HUD and Its Own Requirements	09/29/2016	01/20/2017	12/01/2017
2016-FO-0006	HUD Needs To Improve Its Monitoring of the Travel and Purchase Card Programs	09/29/2016	03/29/2017	12/31/2017
2016-NY-1010	Folts, Inc., Herkimer, NY Did Not Administer the Folts Adult Home and Folts Home Projects In Accordance With Their Regulatory Agreements	09/29/2016	03/28/2017	12/31/2018
2016-PH-1008	The Housing Opportunities Commission of Montgomery County, Kensington, MD, Did Not Always Ensure That Its Program Units Met Housing Quality Standards	09/29/2016	01/12/2017	01/12/2018
2016-CH-1009	The Condominium Association and Management Agent Lacked Adequate Controls Over the Operation of West Park Place Condominium, Chicago, IL	09/30/2016	01/25/2017	01/20/2018

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2016-FW-1010	The State of Oklahoma Did Not Obligate and Spend Its Community Development Block Grant Disaster Recovery Funds in Accordance With Requirements	09/30/2016	01/17/2017	11/29/2017
2016-PH-1009	The State of New Jersey Did Not Disburse Disaster Funds to Its Contractor in Accordance With HUD, Federal, and Other Applicable Requirements	09/30/2016	01/27/2017	12/30/2017

SIGNIFICANT AUDIT REPORTS ISSUED WITHIN THE PAST 12 MONTHS THAT WERE DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS FOR WHICH FINAL ACTION HAD NOT BEEN COMPLETED AS OF 09/30/2017

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2017-BO-1001	The State of Connecticut Did Not Always Comply With CDBG Disaster Recovery Assistance Requirements	10/12/2016	02/01/2017	10/17/2017
2017-KC-0001	FHA Paid Claims for an Estimated 239,000 Properties That Servicers Did Not Foreclose Upon or Convey on Time	10/14/2016	02/28/2017	02/24/2019
2017-BO-1002	The City of Springfield, MA Needs To Improve Its Compliance with Federal Regulations for Its CDBG Disaster Recovery Assistance Grant	10/17/2016	01/04/2017	11/30/2017
2017-CH-0001	HUD Needs To Improve Its Oversight of Funds Covered Under the Low-Income Housing Preservation and Resident Homeownership Act of 1990	10/25/2016	02/22/2017	02/22/2018
2017-NY-1001	The City of New York, NY, Implemented Policies That Did Not Always Ensure That CDBG Disaster Recovery Funds Were Disbursed in Accordance With Its Action Plan and Federal Requirements	11/02/2016	05/08/2017	12/29/2017
2017-FO-0001	Audit of Fiscal Years 2016 and 2015 (Restated) Financial Statements	11/14/2016	04/06/2017	Note 3
2017-FO-0002	Audit of the Federal Housing Administration's Financial Statements for Fiscal Years 2016 and 2015 (Restated)	11/14/2016	07/13/2017	12/28/2017
2017-FO-0003	Additional Details To Supplement Our Fiscal Years 2016 and 2015 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/15/2016	09/13/2017	Note 3
2017-NY-1003	The Town of Amherst, NY, Did Not Ensure That Its Housing Choice Voucher Program Units Met Housing Quality Standards	12/14/2016	03/01/2017	02/05/2018
2017-KC-1001	Majestic Management, LLC, a Multifamily Housing Management Agent in St. Louis, MO, Did Not Always Comply With HUD's Requirements When Disbursing Project Funds	12/16/2016	04/14/2017	04/30/2018

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2017-NY-1004	The City of New York, NY, Lacked Adequate Controls To Ensure That the Use of CDBG-DR Funds Was Always Consistent With the Action Plan and Applicable Federal and State Requirements	12/21/2016	04/17/2017	12/29/2017
2017-FW-1003	The Houston Housing Authority, Houston, TX, Needs To Improve Its Procurement and Financial Operations and Its Housing Choice Voucher Program Subsidy Determinations	12/27/2016	03/24/2017	03/24/2018
2017-PH-1801	Final Civil Action Borrower Settled Alleged Violations of Home Equity Conversion Mortgage Program	01/06/2017	01/06/2017	11/01/2017
2017-NY-1005	Union County, NJ'S HOME Investment Partnerships Program Was Not Always Administered in Compliance With Program Requirements	01/13/2017	05/11/2017	05/07/2019
2017-KC-0002	The U.S. Department of Housing and Urban Development Did Not Always Prevent Program Participants From Receiving Multiple Subsidies	01/20/2017	05/09/2017	12/31/2018
2017-CH-1001	The Port Huron Housing Commission, Port Huron, MI, Did Not Properly Implement Asset Management	01/24/2017	05/03/2017	04/02/2018
2017-LA-0002	HUD Failed To Follow Departmental Clearance Protocols for FHA Programs, Policies, and Operations	01/25/2017	09/22/2017	03/31/2018
2017-DP-0001	HUD's Transition to a Federal Shared Service Provider Failed to Meet Expectations	02/01/2017	05/25/2017	Note 3
2017-DP-0002	Review of Information Systems Controls Over FHA's Single Family Premiums Collection Subsystem – Periodic and the Single Family Acquired Asset Management System	02/09/2017	06/12/2017	04/30/2018
2017-KC-1801	Final Action Memorandum: Purchaser of HUD-Insured Single-Family Property Settled Allegations of Causing the Submission of a False Claim	02/23/2017	02/23/2017	06/15/2021
2017-FO-0005	HUD's Fiscal Years 2016 and 2015 (Restated) Consolidated Financial Statements Audit (Reissued)	03/01/2017	07/03/2017	11/16/2017

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2017-AT-1003	The Puerto Rico Department of Housing, San Juan, PR, Did Not Properly Administer Its Multifamily Special Escrow Funds	03/02/2017	06/27/2017	06/26/2018
2017-FO-0801	Independent Attestation Review: U.S. Department of Housing and Urban Development, DATA Act Implementation Efforts	03/02/2017	06/19/2017	Note 2
2017-LA-0003	HUD Failed To Adequately Oversee FHA-Insured Loans With Borrower-Financed Downpayment Assistance	03/03/2017	06/22/2017	06/15/2019
2017-NY-1008	The Irvington, NJ, Housing Authority Did Not Always Administer Its Public Housing Program in Accordance With Program Requirements	03/10/2017	07/07/2017	07/07/2018
2017-BO-0001	HUD's OCPO Did Not Always Comply With Acquisition Requirements When Planning and Monitoring Major Service Contracts	03/22/2017	06/28/2017	03/31/2018
2017-PH-1001	The City of Pittsburgh, PA, Did Not Always Administer Its CDBG Program in Accordance With HUD and Federal Requirements	03/22/2017	07/19/2017	07/19/2018
2017-CF-1803	United Shore Financial Services, LLC, Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements	03/29/2017	03/29/2017	03/27/2022
2017-CH-1801	Final Civil Action: Judgment Imposed on the Former President and Founder of MDR Mortgage Corporation Regarding Allegations of Failing To Comply With HUD's Federal Housing Administration Requirements	03/31/2017	08/31/2017	08/21/2018

Audits excluded:

90 audits under repayment plans

33 audits under debt claims collection processing, formal judicial review, investigation, or legislative solution

Notes:

1 Management did not meet the target date. Target date is more than 1 year old.

2 Management did not meet the target date. Target date is less than 1 year old.

3 No management decision

TABLE C

INSPECTOR GENERAL-ISSUED REPORTS WITH QUESTIONED AND UNSUPPORTED COSTS AT 9/30/2017 (THOUSANDS)

AUDIT REPORTS		NUMBER OF AUDIT REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS
A1	For which no management decision had been made by the beginning of the reporting period	21	\$217,600	\$127,227
A2	For which litigation, legislation, or investigation was pending at the beginning of the reporting period	4	25,542	3,378
A3	For which additional costs were added to reports in beginning inventory	-	1,663	38
A4	For which costs were added to noncost reports	0	0	0
B1	Which were issued during the reporting period	62	189,218	86,506
B2	Which were reopened during the reporting period	0	0	0
Subtotals (A+B)		87	434,023	217,149
C	For which a management decision was made during the reporting period	38 ¹⁶	270,927	126,299
	(1) Dollar value of disallowed costs:			
	Due HUD	14 ¹⁷	173,462	59,699
	Due program participants	25	54,160	23,424
	(2) Dollar value of costs not disallowed	3 ¹⁸	43,305	43,176
D	For which a management decision had been made not to determine costs until completion of litigation, legislation, or investigation	3	25,110	2,946
E	For which no management decision had been made by the end of the reporting period	46 <126> ¹⁹	137,986 <103,176> ¹⁹	87,904 <75,641> ¹⁹

¹⁶ Thirteen audit reports also contain recommendations with funds to be put to better use.

¹⁷ Two audit reports also contain recommendations with funds due program participants.

¹⁸ One audit report also contains recommendations with funds agreed to by management.

¹⁹ The figures in brackets represent data at the recommendation level as compared to the report level. See explanations of tables C and D located below table D.

TABLE D

INSPECTOR GENERAL-ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE AT 9/30/2017 (THOUSANDS)

AUDIT REPORTS		NUMBER OF AUDIT REPORTS	DOLLAR VALUE
A1	For which no management decision had been made by the beginning of the reporting period	15	\$7,920,711
A2	For which litigation, legislation, or investigation was pending at the beginning of the reporting period	1	1,694
A3	For which additional costs were added to reports in beginning inventory	-	57
A4	For which costs were added to noncost reports	0	0
B1	Which were issued during the reporting period	39	537,788
B2	Which were reopened during the reporting period	0	0
Subtotals (A+B)		55	8,460,250
C	For which a management decision was made during the reporting period	15 ²⁰	386,320
	(1) Dollar value of recommendations that were agreed to by management:	5	289,940
	Due HUD	10	96,380
	Due program participants		
	(2) Dollar value of recommendations that were not agreed to by management	0	0
D	For which a management decision had been made not to determine costs until completion of litigation, legislation, or investigation	1	1,694
E	For which no management decision had been made by the end of the reporting period	39	8,072,236
		<50> ²¹	<5,734,288> ²¹

²⁰ Thirteen audit reports also contain recommendations with questioned costs.

²¹ The figures in brackets represent data at the recommendation level as compared to the report level. See the explanations of tables C and D below.

EXPLANATIONS OF TABLES C AND D

The Inspector General Act Amendments of 1988 require inspectors general and agency heads to report cost data on management decisions and final actions on audit reports. The current method of reporting at the “report” level rather than at the individual audit “recommendation” level results in misleading reporting of cost data. Under the Act, an audit “report” does not have a management decision or final action until all questioned cost items or other recommendations have a management decision or final action. Under these circumstances, the use of the “report” based rather than the “recommendation” based method of reporting distorts the actual agency efforts to resolve and complete action on audit recommendations. For example, certain cost items or recommendations could have a management decision and repayment (final action) in a short period of time. Other cost items or nonmonetary recommendation issues in the same audit report may be more complex, requiring a longer period of time for management’s decision or final action. Although management may have taken timely action on all but one of many recommendations in an audit report, the current “all or nothing” reporting format does not recognize their efforts.

The closing inventory for items with no management decision in tables C and D (line E) reflects figures at the report level as well as the recommendation level.

APPENDIX 4 – UNDISCLOSED REPORTS

The Inspector General Empowerment Act (IGEA), sections 5(a)(22)(A) and (B), requires reporting within the Semiannual Report a detailed description of particular circumstances of each (A) inspection, evaluation, and audit conducted by the office that is closed and was not disclosed to the public and (B) investigation conducted by the office involving a senior government employee that is closed and was not disclosed to the public. The following provides a summary of these items:

AUDIT

AUDIT REPORTS THAT WERE CLOSED DURING THE PERIOD THAT WERE NOT DISCLOSED TO THE PUBLIC

2014-DP-0006, REVIEW OF INFORMATION SYSTEMS CONTROLS OVER THE PROGRAM ACCOUNTING SYSTEM (PAS), ISSUED SEPTEMBER 23, 2014, AND CLOSED MAY 17, 2017

This was a **LIMITED DISTRIBUTION** audit report. The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), reviewed the general and application controls over HUD's Program Accounting System (PAS) as part of the internal control assessments required for the fiscal year 2014 financial statement audit under the Chief Financial Officer's Act of 1990. OIG's objective was to focus on the effectiveness of general and application controls over PAS for compliance with HUD information technology (IT) policies and Federal information system security and financial management requirements. HUD did not ensure that general and application controls over PAS fully complied with Federal requirements and its own security policies. Specifically, PAS access controls needed updates. Some users' permissions did not correlate with their user access forms, guidelines for obtaining access were not always followed, and some users were not assigned proper identification. A lack of proper controls increases the risk of inappropriate modification to the data used in financial processing and reporting. In addition, PAS transactions were modified to correct errors without a proper analysis. Improper error handling increases the risk of inaccurate financial processing. Also, internal controls were overridden without a documented process. The absence of a documented process for performing and monitoring transaction overrides presents the opportunity for fraudulent financial processing. Further, the PAS application documentation was outdated. Without proper documentation, users and technical support personnel may not be able to accurately perform their duties. Finally, documentation for supporting the segregation of duties was not maintained. Without documentation to support the segregation of duties, the Office of the Chief Financial Officer (OCFO) could not have properly evaluated whether the mission functions of its users were properly segregated to prevent the likelihood of errors and wrongful acts. OIG recommended that OCFO (1) ensure that PAS access controls are updated to fully protect the system from inappropriate exposure, (2) create and distribute procedures for PAS transaction error handling, (3) implement a documented process for transaction override processing, (4) update the PAS application documentation, and (5) develop and implement segregation of duties documentation and procedures. (Audit Report: 2014-DP-0006)

INVESTIGATION

During the current reporting period, OIG has five investigation reports that were closed but not disclosed to the public. These cases were previously included under the Investigations of Senior Government Employees section of this report.

- It was alleged that a HUD regional administrator and a former senior advisor committed gross mismanagement and created an announcement and rating factors to hire a spouse. It was also alleged that the administrator and former advisor rewrote the elements for multifamily presidential management fellows to bring them into the agency at a grade higher than that of similar fellows in other divisions. The matter was investigated, but the allegations were not substantiated. However, during the investigation, it was found that the regional administrator had given a Management Analyst improper access to HUD's Time and Attendance system. HUD OIG referred the case to the U.S. Attorney's Office (USAO) on November 9, 2016. The USAO declined criminal prosecution, citing a lack of apparent criminal intent. The regional administrator departed HUD during the course of the investigation and the management analyst was directed to take a Time and Attendance system training.
- A HUD administrative specialist reported that he was being harassed by a HUD senior advisor and that the senior advisor sent sexually explicit text and voicemail messages on the administrative specialist's personal cellular telephone, as well as instant messages to the administrative specialist's HUD account, for approximately 18 months. The administrative specialist stated that he asked the senior advisor to stop this activity and reported the harassment to several supervisors. The administrative specialist also stated that the senior advisor implied that in exchange for sexual relations, the senior advisor could help improve the administrative specialist's professional career. HUD OIG referred the case to the USAO on January 16, 2017. On January 16, 2017, the USAO declined criminal prosecution due to available administrative remedies. The senior advisor retired.
- It was alleged that a HUD director steered contracts and potentially violated the conflict-of-interest statute. The matter was investigated, but the allegation was not substantiated.
- HUD OIG conducted a preliminary inquiry into potential violations of postemployment restrictions by a former senior Federal Housing Administration official. The investigation did not substantiate misconduct by the former official, nor did it identify evidence indicating that the former official communicated with Department officials in violation of Federal law or regulation.
- HUD OIG received information alleging that a HUD administrative officer owned several apartment buildings, which were rented to tenants in HUD's Section 8 program. The investigation did not substantiate misconduct by the administrative officer and determined that the subject did not violate any program rules.

EVALUATION

During the current reporting period, OIG has one evaluation report that was closed but not disclosed to the public.

HUD WEB APPLICATION SECURITY EVALUATION

HUD OIG completed a targeted web application security evaluation of HUD in support of a Counsel of the Inspectors General on Integrity and Efficiency (CIGIE) Federal cross-cutting project, making nine recommendations for improvement to the Department. HUD OIG assessed HUD's capability to identify and mitigate critical IT vulnerabilities in the Department's publicly accessible web applications. OIG identified key deficiencies in HUD's practices that put HUD's extensive collection of sensitive data, including personal information of private citizens, at increased risk of unauthorized access and compromise. Of particular concern was the discovery of multiple operating web applications unknown to the Office of the Chief Information Officer. **(2016-OE-0002)**

APPENDIX 5 – OPEN RECOMMENDATIONS

OFFICE OF AUDIT

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
1995-NY-1001	1/24/1995	001-B	We recommend that you make a determination on collectability of past due excess income liability and require the mortgagor to start correctly completing monthly excess income report.	\$2,200,290
2000-AT-1003	3/6/2000	003-C	Require that the PHA reimburse \$2,568,000, less any restitution, for the fictitious training invoices.	1,114,897
2001-AT-1001	10/20/2000	001-A	Obtain additional supporting documentation or recover from city \$795,178 paid for police protection, recreation and code enforcement activities.	573,658
2001-FW-1003	12/18/2000	001-C	Require the authority to repay the Low Rent Program \$58,799 from nonfederal funds for the ineligible transfers that have not been reimbursed by Section 8 Program.	58,799
2000-NY-1003	12/30/1999	004-C	We recommend you instruct the Public Housing Authority to reimburse from nonfederal funds, the amount of unsupported costs determined to be ineligible.	31,443
2001-FW-1003	12/18/2000	001-D	Require the Authority to provide support for \$13,082 in unsupported costs charged to Low Rent Program for audit period and any subsequent unsupported costs, etc.	13,082
2001-PH-1803	8/31/2001	001-A	Take action to refinance mixed financing developments, recover inappropriately expended Annual Contributions Contract funds, sanctions for Annual Contributions Contract violations.	320,000
2002-AT-1002	7/3/2002	001-A	Require the Authority to seek repayment of the \$728,159 owed from the Tupelo Apartment Homes, L.P.	658,159
2002-AT-1002	7/3/2002	003-B	Provide proper support for the \$331,665 of expenditures for the fiscal year 2000 Annual Statement, or reimburse the CGP funds.	331,665
2002-AT-1002	7/3/2002	003-A	Provide proper supporting documentation or reimburse the CGP \$293,544 of unsupported expenditures.	293,544
2002-PH-1005	9/30/2002	001-C	Support unsupported expenditures of \$60,750 that were drawn down for the grant. For any unsupported expenditures require grantee reimburse HUD.	60,750
2002-PH-1005	9/30/2002	001-D	Reimburse HUD for the \$23,422 ineligible expenditures charged to the grant.	23,422

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2002-AT-1002	7/3/2002	005-C	Remove the refrigerators and ranges from the Ida Street development or require reimbursement from the partnership.	15,086
2002-NY-0001	2/25/2002	001-B	If implementation continues we recommend that HUD complete and implement the regulations.	0
2003-CH-1019	7/25/2003	001-B	Establishes a formal repayment agreement with the Housing Authority that will allow the current debt owed to HUD of \$533,432 to be repaid without disrupting the Section 8 Program. The following should be included in the agreement: prior HUD approval of the Housing Authority's proposed budgets; and a requirement that the Housing Authority revise its funding requisitions when leasing levels materially change so that future overpayments will be avoided.	507,290
2004-BO-1002	11/4/2003	001-A	Recover from owner \$2,687,822, the difference between \$3,662,822 owed to HUD by owner and \$975,000 proceeds of foreclosure sale.	333,581
2004-CH-1001	11/26/2003	003-B	Provides documentation to support that it appropriately made \$324,364 in Housing Assistance Payments. If adequate documentation cannot be provided, then the Authority should reimburse its Section 8 Housing Program from non-Federal funds for the appropriate amount.	300,327
2003-CH-1011	3/24/2003	001-A	Ensures that the \$287,224 of housing work cited in this finding is completed correctly using non-federal funds. If the Authority is unable to ensure the work is completed correctly, then the Authority should reimburse its Comprehensive Assistance Improvement Program (now the Capital Fund Program) from non-Federal funds the applicable amount of work not completed correctly or not provided.	287,224
2004-CH-1001	11/26/2003	002-B	Reimburses its Section 8 Housing Program \$150,851 from non-Federal funds for the Section 8 administrative fees collected by the Authority (\$14,942) and the Housing Assistance Payments (\$135,909) improperly made for the Section 8 housing units that did not meet HUD's Housing Quality Standards.	170,051
2003-CH-1014	3/28/2003	002-A	Provides documentation to support the \$72,329 of unsupported salaries and wages cited in this finding. If documentation cannot be provided, the Authority should reimburse its Public Housing Program the appropriate amount from non-Federal funds.	72,329
2003-CH-1019	7/25/2003	002-D	Provides documentation to support the \$43,132 of unsupported payments cited in the Indiana State Board of Accounts audit report. If documentation cannot be provided, then the Authority should reimburse its Section 8 Voucher Program for the amount that cannot be supported from non-Federal funds.	43,132

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2003-CH-1019	7/25/2003	002-A	Reimburses its Section 8 Voucher Program \$42,206 from non-Federal funds for the ineligible costs cited in this finding.	41,146
2003-CH-1019	7/25/2003	002-C	Reimburses its Section 8 Voucher Program \$40,708 from non-Federal funds for ineligible costs cited in the Indiana State Board of Accounts audit report.	40,708
2003-CH-1011	3/24/2003	001-B	Reimburses its Comprehensive Assistance Improvement Program (now the Capital Fund Program) \$36,408 from non-federal funds for the inappropriate use.	36,408
2003-CH-1019	7/25/2003	003-A	Reimburses its Voucher Program from non-Federal funds \$60,399 for Section 8 subsidy at units it incorrectly certified met Housing Quality Standards.	28,248
2003-CH-1014	3/28/2003	005-A	Provides documentation to support the \$33,284 of unsupported payments cited in this finding. If documentation cannot be provided, then the Authority should reimburse its Public Housing Program the amount that cannot be supported from non-Federal funds.	27,097
2003-FW-1001	2/21/2003	002-A	Repay its program \$32,652 that it paid CDG for hiring it coordinator.	18,939
2004-CH-1001	11/26/2003	003-D	Provides documentation to support the annual income used in 26 reexaminations for \$112,753 in Housing Assistance Payments. If adequate documentation cannot be provided, then the Authority should reimburse its Section 8 Housing Program from non-Federal funds for the appropriate amount.	11,859
2003-CH-1019	7/25/2003	002-B	Provides documentation to support the \$1,672 of unsupported payments cited in this finding. If documentation cannot be provided, then the Authority should reimburse its Section 8 Voucher Program from non-Federal funds for the amount that cannot be supported.	1,672
2004-AT-1006	4/22/2004	001-B	Require the PRPHA to submit all supporting documentation and determine the accuracy of the \$4,230,646 owed by PBA and its public housing management agents. Any amounts determined ineligible must be reimbursed to the ACC projects, from non-Federal funds.	4,230,256
2005-AT-1004	11/19/2004	002-E	Require the Authority to repay its programs \$6,855,271 spent for ineligible procurements. Repayment should be from non-Federal funds and paid in the following amounts and to the following programs: Conventional Public Housing General Fund \$2,818,331, Capital Fund \$3,630,215, HOPE VI \$259,289, Section 8 \$115,128, Drug Elimination \$12,048, Economic Development Support Services \$13,831, and Turnkey III Program \$6,429.	3,516,017

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2004-CH-1006	6/23/2004	001-B	Provides documentation to support that \$768,517 of Housing Assistance Payment Savings funds benefited very low-income persons and families. If the Authority cannot provide the necessary documentation, then the Authority should reimburse a control account from non-Federal funds for the applicable amount.	768,517
2004-AT-1001	1/15/2004	001-A	Require the Authority to collect the \$327,326 due from SCHDC and discontinue advancing funds.	199,851
2004-PH-1011	9/8/2004	002-B	Direct the Authority to provide adequate documentation to support \$1,943,993 or reimburse HUD from nonfederal sources.	187,743
2005-CH-1003	11/29/2004	001-A	We recommend that HUD's Director of Public Housing Hub, Detroit Field Office, assure the Royal Oak Township Housing Commission: Reimburse its Public Housing Program \$367,516 from non-Federal funds for the improper use of HUD operating subsidy funds cited in this finding.	91,879
2005-CH-1003	11/29/2004	002-A	We recommend that HUD's Director of Public Housing Hub, Detroit Field Office, assure the Royal Oak Township Housing Commission: Reimburse its Public Housing Program \$45,220 from non-Federal funds for the operating subsidy that was not used in accordance with HUD's One Strike Policy.	45,220
2004-PH-1011	9/8/2004	001-B	Require the Authority to reimburse HUD \$882,916 from nonfederal sources.	29,051
2005-CH-1003	11/29/2004	002-C	We recommend that HUD's Director of Public Housing Hub, Detroit Field Office, assure the Royal Oak Township Housing Commission: Reimburse its Public Housing Program \$3,340 from non-Federal funds for thee ineligible travel costs.	3,340
2005-AT-1013	9/15/2005	002-A	Require the Municipality to obtain and submit all supporting documentation and HUD determine the eligibility and propriety of \$1,011,801 in administrative costs the Corporation charged to the Block Grant revolving fund. Any amounts determined ineligible must be reimbursed to the Block Grant program from nonfederal funds.	1,011,801
2005-CH-1020	9/29/2005	004-A	We recommend that the director of HUD's Public Housing Hub, Cleveland Field Office, require the Authority to provide support or reimburse its Section 8 program \$812,967 (\$738,708 in housing assistance payments plus \$74,259 in related administrative fees) from nonfederal funds for unsupported housing assistance payments and unearned administrative fees related to the 65 tenants cited in this finding.	807,977

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2005-CH-1020	9/29/2005	003-A	We recommend that the director of HUD's Public Housing Hub, Cleveland Field Office, require the Authority to reimburse its Section 8 administrative fees \$805,585 from nonfederal funds for inappropriately funding HOPE VI expenses.	751,881
2005-AT-1013	9/15/2005	003-A	Require the Municipality to obtain and submit all supporting documentation and HUD determine the eligibility and compliance with national objectives of the \$631,195 the Corporation disbursed for the four loans. Any amounts determined ineligible must be reimbursed to the Block Grant program from nonfederal funds.	471,578
2005-CH-1010	4/8/2005	001-A	We recommend that HUD's Director of Public Housing Hub, Chicago Regional Office, assure that the Authority reduces its Low-Rent Performance Funding Operating Subsidy by \$119,376 for the excessive operating subsidy cited in this finding.	105,186
2006-BO-0001	7/11/2006	001-C	For the overpayments of phase-down funding identified in appendix C, recover \$20.6 million in ineligible phase-down funding requests from the public housing agencies for fiscal years 2004 and 2005.	8,281,766
2006-NY-1003	2/14/2006	002-A	We recommend that the Director of the HUD Office of Public Housing review the documentation provided by the Authority, determine if the evidence supports that services were provided that exceeded the services that were to be provided in accordance with the cooperation agreements and seek reimbursement of any amounts that are not supported.	3,758,034
2006-BO-1006	3/28/2006	001-C	We recommend that the director of HUD's Boston Multifamily Housing Hub, in conjunction with the HUD Office of Inspector General (OIG), pursue double damages remedies if the owner does not reimburse HUD for the inappropriate disposition of project assets.	1,421,859
2006-BO-1006	3/28/2006	001-B	We recommend that the director of HUD's Boston Multifamily Housing Hub assure the owner provides documentation to support the \$992,979 in unsupported payments cited in this audit report. If adequate documentation cannot be provided, the owner should reimburse HUD for the appropriate amount.	992,979
2006-BO-1006	3/28/2006	001-A	We recommend that the director of HUD's Boston Multifamily Housing Hub assure the owner reimburses HUD \$865,121 for the inappropriate disposition of project assets.	865,121
2006-CH-1018	9/28/2006	001-A	We recommend that the director of HUD's Detroit Office of Public Housing require the Commission to Reimburse its program \$535,903 from nonfederal funds (\$507,860 for the property purchase plus \$28,043 for legal costs) for the improper use of program funds to pay for the property's acquisition costs.	535,903

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2006-NY-1012	9/22/2006	001-B	We recommend that the director, New Jersey Office of Public Housing, instruct the Authority to recapture or reduce the Section 8 administrative fee reserve account by \$590,042 to comply with the requirements of PIH [Public and Indian Housing] Notice 2005-30.	452,366
2006-NY-1012	9/22/2006	001-D	We recommend that the director, New Jersey Office of Public Housing, instruct the Authority to reimburse the capital fund from the Section 8 program the \$401,046 in excess/ineligible capital fund transfers.	334,205
2006-CH-1020	9/29/2006	001-A	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$582,926 (\$547,238 in housing assistance and utility allowance payments and \$35,688 in associated administrative fees) from nonfederal funds for the unsupported payments and associated administrative fees related to the 73 household files cited in this finding.	293,425
2006-CH-1021	9/30/2006	002-C	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to review the remaining 717 (779 minus 62) zero-income households as of September 23, 2005, to determine whether they had unreported income. For households that received excessive housing assistance and utility allowance payments, the Authority should pursue collection and/or reimburse its program the applicable amount from nonfederal funds.	254,879
2006-BO-0001	7/11/2006	001-B	Obtain and review support (as identified in recommendation 1D) for \$15.1 million in unsupported phase-down funding in fiscal years 2004 and 2005, determine the correct amount of phase-down funding, and require the public housing agencies to reimburse HUD for any ineligible funding received.	250,282
2007-CH-1001	12/13/2006	001-A	We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its public housing operating fund \$181,513 from nonfederal funds for the inappropriate disbursements cited in this finding.	181,513
2006-CH-1021	9/30/2006	002-D	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to terminate the program housing assistance to the applicable households that certified they had no income when in fact they had income according to HUD's system.	162,854
2006-PH-1013	9/18/2006	001-B	Require the Commonwealth to provide documentation to substantiate the eligibility of \$150,000 provided to Southampton or repay the HOME program from nonfederal funds.	125,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2006-CH-1010	5/18/2006	001-A	We recommend that the director of HUD's Detroit Office of Public Housing require the Commission to provide documentation to support the \$206,224 in unsupported program disbursements cited in this finding or reimburse its program from nonfederal funds for the applicable amount.	115,149
2006-CH-1020	9/29/2006	001-B	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$80,776 (\$49,034 for the overpayment of housing assistance and utility allowance payments for 34 households and \$31,742 in administrative fees associated with the overpayment and underpayment of housing assistance and utility allowance payments for 48 households) from nonfederal funds.	75,817
2006-CH-1021	9/30/2006	002-A	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$62,365 (\$51,244 in housing assistance and \$11,121 in utility allowances) from nonfederal funds for the overpayment of housing assistance and utility allowance payments cited in this finding.	62,365
2006-NY-1008	6/30/2006	001-C	We recommend that the director, Office of Public Housing, New York Hub seek repayment of the \$49,483 in ineligible and erroneous housing assistance payments.	48,584
2006-CH-1021	9/30/2006	003-A	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$47,463 (\$43,435 in housing assistance payments plus \$4,028 in related administrative fees) from nonfederal funds for the unsupported housing assistance payments and related administrative fees for the five households cited in this finding.	47,463
2006-CH-1016	9/26/2006	001-A	We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its program \$236,157 (\$31,802 in imputed interest, \$28,802 in forgiven interest, \$111,073 for the land purchase, \$42,322 in cash, and \$22,158 in improper expenses) from nonfederal funds for the inappropriate use of its sales proceeds for the Corporation.	27,726
2006-NY-1010	9/20/2006	002-B	We recommend that the director, New Jersey Office of Public Housing, require the Authority to provide additional documentation for the \$23,592 in unsupported costs related to managerial services and legal and auditing costs so that HUD can determine the eligibility of these items. Any amounts determined to be ineligible should be repaid.	23,592

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2007-CH-1001	12/13/2006	002-A	We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its Coordinators funds \$18,757 from nonfederal funds for the inappropriate payment of salary and benefits cited in this finding.	18,757
2007-CH-1001	12/13/2006	002-B	We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to provide documentation to support the use of \$25,033 in salary and benefits expenses for its former counselor was eligible or reimburse its Coordinators funds from nonfederal funds as appropriate.	4,963
2006-CH-1021	9/30/2006	001-A	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$27,729 (\$27,201 in housing assistance and \$528 in utility allowances) from nonfederal funds for the overpayment of housing assistance and utility allowance payments cited in this finding.	219
2006-BO-1004	3/3/2006	001-A	We recommend that the director, Rhode Island Multifamily Program Center pursue the recovery of double the amount of \$533,954 in ineligible costs to identities-of-interest from the owner/management agent, as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	001-B	We recommend that the director, Rhode Island Multifamily Program Center obtain adequate documentation from the owner/management agent for the cash disbursements for unsupported costs of \$21,871 costs to identities-of-interest or pursue the recovery of double this amount as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	001-C	We recommend that the director, Rhode Island Multifamily Program Center pursue the recovery of double the amount of \$426,375 in unnecessary costs to identities-of-interest and non-identities-of-interest from the owner/management agent, as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	001-D	We recommend that the director, Rhode Island Multifamily Program Center pursue the recovery of \$397,895 in ineligible costs to non-identities-of-interest.	0
2006-BO-1004	3/3/2006	001-E	We recommend that the director, Rhode Island Multifamily Program Center obtain justification from the owner/management agent supporting the cash disbursements for unsupported costs of \$266,574 to non-identities-of-interest or pursue recovery of this amount.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2006-BO-1004	3/3/2006	001-F	We recommend that the director, Rhode Island Multifamily Program Center take appropriate action to prevent payments of ineligible and unnecessary cash disbursements after our audit period, including the payment of questionable accrued payables to identities-of-interest of \$95,800. If they have been paid, pursue the recovery of double this amount as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	001-G	We recommend that the director, Rhode Island Multifamily Program Center take appropriate action to prevent payments of ineligible accrued payables to non-identities-of-interest of \$92,299. If they have been paid, pursue the recovery of this amount.	0
2006-BO-1004	3/3/2006	001-H	We recommend that the director, Rhode Island Multifamily Program Center obtain adequate documentation from the owner/management agent for the \$4,388 in unsupported accrued payables or pursue recovery of this amount.	0
2006-BO-1004	3/3/2006	002-A	We recommend that the director, Rhode Island Multifamily Program Center obtain adequate documentation from the owner/management agent for cash disbursements of \$1,053,550 in unsupported partnership management fees paid to the owner or pursue the recovery of double this amount as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	002-B	We recommend that the director, Rhode Island Multifamily Program Center obtain adequate documentation from the owner/management agent for unsupported accrued payables of \$108,600 payable to the owner or pursue the recovery of double this amount as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	002-C	We recommend that the director, Rhode Island Multifamily Program Center obtain justification from the owner/management agent supporting the cash disbursements for unsupported costs paid to the owner/management agent of \$1,248,668 or pursue the recovery of double this amount as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2006-BO-1004	3/3/2006	002-D	We recommend that the director, Rhode Island Multifamily Program Center take appropriate action to prevent unnecessary cash disbursements after our audit period, including the payment of questionable accrued payables to the management agent of \$40,077. If they have been paid, pursue the recovery of double this amount as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2006-BO-1004	3/3/2006	002-E	We recommend that the director, Rhode Island Multifamily Program Center pursue recovery of double the amount of \$112,254 in questionable salary payments paid to the assistant administrator as stipulated in 12 U.S.C. [United States Code] Sec. 1715z-4a.	0
2007-CH-1011	7/23/2007	001-A	We recommend that the director of HUD's Cleveland Office of Public Housing require the Agency to reimburse its program administrative fee reserve \$1,636,075 from the appropriate funds for the excessive administrative expenses cited in this finding.	1,636,075
2007-CH-1005	3/23/2007	001-A	We recommend that the director of HUD's Cleveland Office of Public Housing require the Authority to provide documentation to support that the \$913,365 in refunding savings cited in this finding was used to provide affordable, decent, safe, and sanitary housing to very low-income households or reimburse from nonfederal funds its refunding savings account(s), as appropriate, to be able to trace its use of the savings.	913,365
2007-NY-1011	8/17/2007	001-A	We recommend that the director of HUD's Office of Public Housing instruct the Authority to reimburse the capital fund program \$818,536 related to the administrative and management improvement costs that exceeded HUD limitations.	818,536
2007-NY-1011	8/17/2007	001-C	We recommend that the director of HUD's Office of Public Housing instruct the Authority to reduce the Authority's future capital funds by \$632,039 related to the fiscal years 2003 and 2004 capital funds transferred to the low-rent public housing program.	505,631
2007-AT-1010	8/14/2007	001-B	Reimburse from nonproject sources \$656,536 for salary and benefits that represented Foundation costs. The repayments should be deposited to the residual receipt account for each affected project.	462,199
2007-NY-1006	5/24/2007	001-A	We recommend that the director of HUD's Office of Public Housing instruct the Authority to reimburse HUD for the excessive administrative fee charge of \$692,990 in capital funds in accordance with the procedures described in 24 CFR 905.120.	415,796
2007-PH-1013	9/27/2007	001-B	Repay its low-rent public housing program \$834,969 from nonfederal funds for the ineligible disbursements related to the credit union.	384,969

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2008-CH-1001	11/19/2007	001-D	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its Public Housing program \$337,870 from nonfederal funds for the rental income received by its nonprofit from the Turnkey III properties.	292,820
2007-AT-1010	8/14/2007	001-C	Reimburse from nonproject sources \$458,101 that the Foundation paid itself for excessive janitorial costs. The repayments should be deposited to the residual receipt account for each affected project.	238,685
2007-CH-1010	7/20/2007	002-C	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$140,521 (\$126,224 in housing assistance and utility allowance payments plus \$14,297 in related administrative fees) from nonfederal funds for the unsupported payments and associated administrative fees related to the 20 households cited in this finding.	140,521
2007-KC-1004	1/12/2007	002-A	Repay from nonfederal sources, the \$147,934 improperly spent for employee leave.	124,339
2007-AT-1010	8/14/2007	002-A	Reimburse current tenants for any portion of the \$93,677 they paid for prohibited parking fees. Parking fees collected from tenants who have moved and for whom it is not feasible to locate them to make the payments should be deposited to the projects' residual receipt accounts.	93,677
2007-NY-1003	3/12/2007	001-F	We also recommend that the director, Buffalo Office of Multifamily Housing, determine the disposition of the escrowed funds and bonds (consisting of \$50,000 in cash, a \$25,000 bond and \$10,062 in accrued bond interest) set aside for the developer-related lawsuit. After determining the proper disposition of these funds HUD should determine whether to remove the funds from the project's books and records. This would allow \$85,062 in encumbered funds to be available for paying operating expenses.	85,062
2007-CH-1002	1/25/2007	002-A	We recommend that the director of HUD's Detroit Office of Public Housing require the Commission to provide supporting documentation or reimburse its program \$166,782 from nonfederal funds for the unsupported operating subsidies related to the 51 household files cited in this finding.	80,637

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2007-CH-1014	9/24/2007	001-B	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$54,024 from nonfederal funds (\$47,295 for housing assistance payments and \$6,729 in associated administrative fees) for the 28 units that materially failed to meet HUD's housing quality standards.	50,874
2007-CH-1010	7/20/2007	002-A	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$39,428 in housing assistance from nonfederal funds for the overpayment of housing assistance and utility allowance payments cited in this finding.	39,428
2007-CH-1014	9/24/2007	001-F	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$52,421 from nonfederal funds in associated administrative fees for the 402 units that were more than 30 days late in receiving their annual inspections.	37,831
2007-AT-1010	8/14/2007	001-F	Reimburse from nonproject sources any portion of \$31,905 in parking fees that it cannot support as representing necessary and reasonable project costs. The repayments should be deposited to the residual receipt account for each affected project.	31,905
2007-AT-1010	8/14/2007	001-E	Reimburse from nonproject sources \$26,306 that the Foundation paid itself for excessive retirement plan costs. The repayments should be deposited to the residual receipt account for each affected project.	26,306
2007-NY-1003	3/12/2007	002-A	We recommend that the director of the Buffalo Office of Multifamily Housing instruct the owner and agent to negotiate a management fee that is reasonable and commensurate with the services that are provided. The management fee should not exceed an amount ordinarily paid for such services, resulting in \$25,974 in cost savings.	25,974
2007-CH-1016	9/28/2007	001-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its program \$38,537 from nonfederal funds (\$35,918 for housing assistance payments and \$2,619 in associated administrative fees) for the 38 units that materially failed to meet HUD's housing quality standards.	7,068

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2007-AT-1010	8/14/2007	001-G	Reimburse from nonproject sources \$6,352 representing Foundation expenses. The repayments should be deposited to the residual receipt account for each affected project.	6,352
2007-CH-1010	7/20/2007	001-A	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$30,360 from nonfederal funds (\$27,944 for housing assistance payments and \$2,416 in associated administrative fees) for the 35 units that materially failed to meet HUD's housing quality standards.	6,304
2007-KC-1004	1/12/2007	003C	Repay \$29,095 in unauthorized vehicle allowances.	5,501
2007-CH-1012	8/3/2007	001-B	We recommend that the director of HUD's Detroit Office of Public Housing require the Commission to reimburse the applicable program \$27,578 (\$9,644 for the overpayment of housing assistance and utility allowances and \$17,934 in administrative fees associated with the overpayment and underpayment of housing assistance and utility allowances for the 48 households) from nonfederal funds.	5,160
2007-NY-1003	3/12/2007	002-B	We also recommend that HUD review and approve the negotiated management fee to ensure that it is reasonable in relation to the services provided to the project.	0
2007-CH-1010	7/20/2007	003-C	We recommend that the director of HUD's Chicago Office of Public Housing require the Authority to review the remaining 36 (70 minus 34) zero-income households as of September 11, 2006, to determine whether they had unreported income. For households that received excessive housing assistance and utility allowance payments, the Authority should pursue collection and/or reimburse its program the applicable amount from nonfederal funds.	0
2009-LA-1005	12/30/2008	002-A	Execute loan agreements between the City and its Agency indicating specific loan terms for repayment of the loans totaling \$139,201,997 (\$63,072,960 principal and \$76,129,037 interest), which would result in an estimated additional recovery of \$7,269,854 in CDBG program income over the first year.	64,039,600
2008-AO-1002	1/30/2008	001-C	Review all of the remaining 392 grants coded ineligible or lacking an eligibility determination and either support or repay \$14,697,812 disbursed for them.	4,615,112

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2008-CH-1008	4/30/2008	001-D	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Public Housing program \$745,436 from nonfederal funds for the improper use of funds cited in this finding.	700,454
2008-CH-1006	4/15/2008	002-D	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to provide supporting documentation or reimburse its program \$587,022 from nonfederal funds for the unsupported payments related to the 59 households cited in this finding.	587,022
2008-AO-1002	1/30/2008	001-A	Repay \$743,344 disbursed for the 17 ineligible grants to its Road Home program.	403,904
2008-AT-0803	9/30/2008	001-A	Require the Authority to collect \$274,914 from the Development Corporation and reimburse its operating fund.	274,914
2009-BO-1002	11/6/2008	001-E	Request from responsible management agents supporting documentation for the \$265,412 in unsupported costs charged to the project so that the eligibility of these costs can be determined. For any amounts determined to be ineligible, the project owner should repay or seek reimbursement from responsible management agent to pay the project from non-project funds or remove payables from the project's accounting.	265,412
2009-AT-1001	10/20/2008	001-C	Provide support for \$523,335 in payments made for various purchases or repay any unsupported costs to its public housing operating and capital improvement programs from nonfederal funds.	210,174
2008-CH-1006	4/15/2008	002-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to reimburse its program \$192,854 (\$113,973 for overpaid housing assistance, \$17,257 for overpaid utility allowances, and \$61,624 in associated administrative fees) for the 63 households cited in this finding from nonfederal funds.	192,854
2008-CH-1007	4/18/2008	001-D	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$214,157 (\$194,694 in housing assistance and utility allowances plus \$19,463 in related administrative fees) from nonfederal funds for the unsupported payments and associated administrative fees related to the 30 households cited in this finding.	190,363
2009-AT-1001	10/20/2008	001-A	Repay \$185,764 to its public housing operating and capital improvement programs for ineligible payments made to or on behalf of the former board chairman from nonfederal funds.	185,764

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2009-AT-1001	10/20/2008	001-B	Provide support for \$182,369 in payments made to or on behalf of the former executive director and former lease enforcement officer or repay any unsupported costs to its public housing operating and capital improvement programs from nonfederal funds.	177,369
2008-CH-1003	2/15/2008	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide supporting documentation or reimburse its Public Housing program \$153,223 (\$22,092 for household eligibility and \$131,131 for continued occupancy) from nonfederal funds for the unsupported operating subsidies related to the 36 household files cited in this finding.	153,223
2008-CH-1007	4/18/2008	003-G	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to provide documentation to support its allocation of time spent correctly administering its Family Self-Sufficiency Program or reimburse its program's undesignated fund balance for administration account from nonfederal funds the appropriate portion of the \$151,661 in Coordinator funds received for fiscal years 2004 and 2005 that were incorrectly administered.	151,661
2008-CH-1003	2/15/2008	002-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide support that the use of \$82,774 (\$27,286 to three family members, \$23,418 to two independent contractors, \$22,150 to CLM Architects, and \$9,920 to Harold Dunne, Attorney at Law) in Public Housing program funds for housing maintenance, cleaning, and professional services were reasonable or reimburse its program from nonfederal funds for the applicable amount.	82,774
2009-BO-1002	11/6/2008	001-B	Reimburse or require the responsible management agent(s) to reimburse \$64,601 to the project for ineligible project costs of \$15,331 and for ineligible administrative, site supervisor, HUD 202 and site management fees of \$49,270.	64,601
2008-CH-1003	2/15/2008	002-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide supporting documentation for the use of \$61,202 for work performed under its Public Housing Capital Fund program or reimburse its program from nonfederal funds for the applicable amount.	61,202
2008-CH-1016	9/29/2008	001-B	Reimburse its program \$55,047 from nonfederal funds (\$50,356 for housing assistance payments and \$4,691 in associated administrative fees) for the 28 units that materially failed to meet HUD's housing quality standards.	51,815

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2008-CH-1005	4/10/2008	001-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$52,737 from nonfederal funds for the overpayment of housing assistance and utility allowances cited in this finding.	49,471
2008-CH-1006	4/15/2008	003-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to reimburse its program \$47,543 (\$36,748 for housing assistance payments and \$10,795 for utility allowance payments) from nonfederal funds for the inappropriate housing assistance payments related to the 17 households cited in this finding.	47,543
2008-CH-1005	4/10/2008	003-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$46,619 from nonfederal funds for the overpayment of housing assistance and utility allowances cited in this finding.	46,619
2008-CH-1013	9/24/2008	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its program \$46,478 from nonfederal funds for the 34 units cited in this finding that were in material noncompliance.	46,478
2008-CH-1006	4/15/2008	001-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to reimburse its program \$41,094 from nonfederal funds (\$37,280 for program housing assistance payments and utility allowances plus \$3,814 in associated administrative fees) for the 38 units that materially failed to meet HUD's housing quality standards and/or the Corporation's housing standards.	41,094
2009-BO-1002	11/6/2008	001-D	Ensure that \$23,499 for unreasonable late charges on fuel bills and sewer lien penalties and \$6,779 for unreasonable payments to a lawn care company be reimbursed to the project from non-project funds.	30,278
2008-CH-1003	2/15/2008	001-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Public Housing program \$28,663 (\$16,262 plus \$12,401) from nonfederal funds for the lost total household payments for 23 households cited in this finding.	28,663
2008-CH-1007	4/18/2008	002-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$28,267 from nonfederal funds for the overpayment of housing assistance and utility allowances cited in this finding.	28,267

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2008-CH-1013	9/24/2008	002-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its program \$29,148 from nonfederal funds for the seven long-term vacant units it inappropriately included in its program operating subsidy calculations.	26,538
2008-CH-1005	4/10/2008	002-E	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to provide documentation to support its allocation of time spent correctly administering the Family Self-Sufficiency Program or reimburse its Coordinator funds from nonfederal funds the appropriate portion of the \$72,235 used when the Authority's Family Self-Sufficiency Program was incorrectly administered.	21,965
2008-CH-1007	4/18/2008	002-C	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its program \$21,411 from nonfederal funds for the overpayment of housing assistance and utility allowances due to not including household reported income.	21,411
2008-CH-1007	4/18/2008	003-C	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to provide documentation to support its use of funds for the six Family Self-Sufficiency Program participants whose contracts were extended contrary to HUD's requirements or reimburse its program \$14,928 from nonfederal funds.	14,928
2008-CH-1005	4/10/2008	001-C	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$14,603 from nonfederal funds for the inappropriate administrative fees related to the 32 households in this finding.	14,603
2008-CH-1005	4/10/2008	002-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$14,576 from nonfederal funds for the escrow funds overpaid to the seven participants cited in this finding.	14,576
2008-CH-1003	2/15/2008	001-C	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse the appropriate households \$13,070 for the underpayment of housing assistance and utility allowance payments cited in this finding.	13,070
2008-CH-1007	4/18/2008	002-B	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$12,505 from nonfederal funds for the overpayment of housing assistance and utility allowances cited in this finding related to the underreporting of income.	12,505

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2008-CH-1006	4/15/2008	002-C	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to reimburse its program \$9,815 from nonfederal funds for the program administrative fees related to the underpaid housing assistance payments.	9,815
2008-CH-1003	2/15/2008	001-F	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Public Housing program \$7,932 in operating subsidies from nonfederal funds for the two properties sold by the City.	4,532
2008-CH-1005	4/10/2008	003-B	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$11,225 from nonfederal funds for the inappropriate administrative fees related to the 47 households cited in this finding.	1,668
2008-CH-1006	4/15/2008	002-E	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to determine the appropriate administrative fees for the applicable households for which it is unable to provide supporting documentation cited in recommendation 2D and reimburse its program the applicable amount from nonfederal funds.	0
2008-CH-1007	4/18/2008	003-D	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to review the files for the 20 participants whose contracts of participation expired between July 1, 2005, and June 30, 2007, to support its use of program funds for the escrow accounts, or reimburse its program the applicable amount from nonfederal funds.	0
2008-AT-0803	9/30/2008	001-B	Apply appropriate sanctions if the Authority does not comply with its payback agreement.	0
2009-AT-0001	9/28/2009	001-A	Ensure that field offices require participating jurisdictions to close out in a timely manner \$62,201,487 in activities reflected in its open activities report that are more than five years old and cancel the fund balances.	62,201,487
2009-AT-0001	9/28/2009	001-B	Require participating jurisdictions to reimburse HUD from nonfederal sources any portion of the \$11,634,558 for activities listed in appendix C that HUD determines had been terminated, voluntarily or involuntarily. When making this determination, HUD should consider the participating jurisdictions' lack of timely physical completion and/or production of affordable housing occupied by HOME income-eligible individuals.	11,634,558

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2009-CH-1002	1/23/2009	003-B	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to provide supporting documentation or reimburse its program \$2,081,512 from nonfederal funds for the 11 Section 8 project-based projects cited in this finding.	2,081,512
2009-NY-1012	5/20/2009	001-B	We recommend that the Director, Buffalo Office of Community Planning and Development, require the City of Rome to establish a schedule for documenting completion of the General Cable activity and the jobs retained and/or created at the site and reimburse HUD any portion of the \$2,953,754 in CDBG funds expended on the activity for costs that do not qualify as meeting the job creation requirement.	1,100,000
2010-PH-1801	12/17/2009	002-B	Provide documentation to support the source and use of \$801,000 transferred into and withdrawn from its nonfederal account or reimburse HUD or the appropriate programs from nonfederal sources for any amounts that it cannot support.	447,810
2009-AO-1002	5/5/2009	001-B	Either support or repay \$441,027 disbursed for five unsupported grants.	441,027
2009-AO-1002	5/5/2009	001-A	Repay \$294,060 disbursed for three ineligible grants to its Road Home program.	294,060
2009-AT-1009	7/20/2009	002-A	Require the Authority to propose a legal solution regarding the ownership structure of the nonprofit organization. If a legal solution is not possible, the Director should require the Authority to repay its public housing program \$221,531 in nonfederal funds or the current amount owed that the Authority advanced to its nonprofit organization.	256,950
2009-BO-1009	8/4/2009	001-A	Deposit \$254,470 for the ineligible disbursements \$236,439 + \$12,559 + \$5,472. Cited in this report into the project's reserve for replacement or a restricted capital account that requires HUD approval for the release of the funds.	254,470
2010-PH-1801	12/17/2009	001-B	Provide documentation to support the \$282,000 expended to acquire and dispose of the vacant commercial building or reimburse the applicable program from nonfederal sources for any amounts that it cannot support.	242,520
2009-AO-1001	5/5/2009	001-A	Repay \$228,930 disbursed for five ineligible grants to its Road Home program.	228,930
2009-CH-1002	1/23/2009	003-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Agency to reimburse its program \$211,680 from nonfederal funds for the Section 8 administrative fees received related to its inappropriate program administration cited in this finding.	211,680

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2009-CH-1007	4/28/2009	002-D	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to review the remaining 284 (333 minus 49) households claiming zero income as of October 2, 2008, to determine whether the households had unreported income. For households that received excessive housing assistance and utility allowance payments, the Authority should pursue collection and/or reimburse its program the applicable amount from nonfederal funds.	183,889
2010-PH-1801	12/17/2009	001-D	Provide documentation to support payments totaling \$180,000 for insurance or reimburse HUD or the applicable program from nonfederal sources for any amounts that it cannot support.	180,000
2009-CH-1011	7/31/2009	003-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its low-rent housing program \$136,500 from nonfederal funds for the former executive director's payments as the resident agent of the nonprofits in addition to his salary.	136,500
2009-KC-1005	3/2/2009	001-B	Repay the voucher program fund from nonfederal sources \$64,528 in improper housing assistance.	58,059
2009-LA-1008	3/18/2009	001-A	Reimburse HUD's Federal Housing Administration insurance fund \$73,750 less amounts repaid after the completion of the audit (\$15,000) for the ineligible disbursements cited in this report.	52,875
2009-NY-1011	5/15/2009	002-G	We recommend that the Director, Office of Public Housing, New York, instruct Authority officials to seek repayment of \$50,237 in ineligible housing assistance payments.	50,237
2009-CH-1007	4/28/2009	001-C	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$31,668 from nonfederal funds for the overpayment of housing assistance due to unreported income.	26,044
2009-CH-1007	4/28/2009	001-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$25,074 from nonfederal funds for the overpayment of housing assistance cited in this finding.	25,074

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2010-PH-1801	12/17/2009	001-C	Provide documentation to support payments totaling \$132,000 for vehicle services or reimburse HUD or the applicable program from nonfederal sources for any amounts that it cannot support.	24,680
2009-CH-1007	4/28/2009	002-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$41,044 (\$41,569 minus \$525) from nonfederal funds for the overpayment of housing assistance cited in this finding.	19,583
2009-CH-1007	4/28/2009	001-H	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$19,071 from nonfederal funds for the improper administrative fees related to the households cited in this finding.	19,071
2009-PH-1011	7/30/2009	001-B	Reimburse HUD's program \$66,934 from nonfederal funds (\$60,637 for housing assistance payments and \$6,297 in associated administrative fees) for the 37 units that materially failed to meet HUD's housing quality standards.	18,759
2009-CH-1007	4/28/2009	001-D	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to provide support or reimburse its program \$16,487 from nonfederal funds for the unsupported overpayment of housing assistance and utility allowances for the nine households cited in this finding.	14,336
2009-BO-1009	8/4/2009	001-H	Pursue double damages remedies against the responsible parties for the ineligible/inappropriate and applicable portion of the unsupported disbursements that were used in violation of the project's regulatory agreement.	0
2009-BO-1009	8/4/2009	001-I	Pursue civil money penalties and administrative sanctions, as appropriate, against the owner, operator, and/or their principals/owners for their part in the regulatory violations cited in this report.	0
2009-SE-0003	9/1/2009	001-A	Revise the PBCA initiative guides (e.g., the monitoring and evaluation guide and the Section 8 guidebook) to clarify inconsistencies or unclear guidance for monitoring the PBCAs including clarification of PBCA performance that requires issuing incentive fees or assessment of disincentives.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2009-SE-0003	9/1/2009	001-B	Ensure that HUD staff follow the revised guidance when conducting the annual compliance reviews and monthly remote reviews to ensure that it receives quality work and the best value for funds spent on contract administration activities.	0
2009-SE-0003	9/1/2009	001-C	Reassess the resources allocated to overseeing the PBCAs to ensure that the resources are sufficient to monitor their performance.	0
2009-AT-0001	9/28/2009	001-C	Recapture any shortfalls generated by the closure and deobligation of fund balances associated with the open activities.	0
2009-AT-0001	9/28/2009	002-A	Establish and implement procedures to monitor the accuracy of commitments that participating jurisdictions enter into the information system. These procedures should include expanding HUD's risk rating system to include risk factors for this review area and development of an appropriate monitoring checklist to ensure consistency and thoroughness of coverage among field offices.	0
2010-PH-1003	11/25/2009	001-B	Develop and implement adequate procedures and controls to ensure that disbursements made from its operating account are for expenses that are reasonable, necessary, and in accordance with program requirements, thereby ensuring that an estimated \$81,257 will be used for eligible purposes annually.	0
2010-PH-1003	11/25/2009	002-F	Develop and implement procedures to ensure that housing assistance payments are correctly calculated and supported with the required documentation. The procedures, at a minimum, should include a statement from management certifying that the determined housing assistance payment amounts have been reviewed by management and prepared in accordance with HUD requirements.	0
2011-FO-0003	11/15/2010	002-C	Review the 510 obligations which were not distributed to the program offices during the open obligations review and deobligate amounts tied to closed or inactive projects, including the \$27.5 million we identified during our review as expired or inactive.	27,500,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2010-AT-1011	8/25/2010	001-B	Determine the eligibility of the \$9,027,082 disbursed for projects with signs of slow progress and reevaluate the feasibility of these activities. The Government of Puerto Rico must reimburse HUD from non-Federal funds for activities that HUD determines to have been terminated and reprogram and put to better use any unexpended funds associated with the terminated activities.	9,027,082
2010-AT-1009	8/13/2010	001-A	Require the authority to provide support showing the eligibility and reasonableness of \$9,784,157 (Footnote 2: Total disbursements of \$13,371,572 were adjusted to consider \$3,576,521 questioned in recommendation 1B and \$10,894 questioned in recommendation 1C.) disbursed for the surveillance system and multifunction printers or reimburse this amount to its operational fund account or HUD, as appropriate, from non-Federal funds.	4,892,078
2010-CH-1008	6/15/2010	001-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$3,861,652 (\$3,483,294 in housing assistance payments plus \$378,358 in associated program administrative fees) from non-Federal funds for the housing assistance payments and associated administrative fees for the unsupported program projects cited in this finding.	3,861,652
2010-AT-1006	6/11/2010	001-A	Require the Department to reimburse its HOME treasury account from non-Federal funds \$2,003,356 for disbursements associated with terminated activities that did not meet HOME objectives.	2,003,356
2010-AT-1010	8/23/2010	001-B	Require the Authority to reimburse the net restricted assets fund account from non-Federal funds the \$2,583,244 or the current amount owed.	1,969,809
2010-AT-1006	6/11/2010	003-A	Require the Department to collect \$1,269,032 associated with the 17 overdue loans and put the program income generated to better use in accordance with HUD requirements.	1,269,032

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2010-NY-1806	9/22/2010	001-A	We recommend that HUD's Associate General Counsel for Program Enforcement determine legal sufficiency and if legally sufficient, pursue remedies under the Program Fraud Civil Remedies Act (31 U.S.C 3801-3812) and/or civil money penalties (24 CFR 30.35) against Security Atlantic and/or its principals for incorrectly certifying to the integrity of the data or that due diligence was exercised during the underwriting of six loans that resulted in actual losses of \$452,217 on five loans and the potential loss of \$101,513 on one loan, which could result in affirmative civil enforcement action of approximately \$1,152,460. Double damages for actual loss amounts related to five loans (\$452,217) and the potential loss (\$101,513) related to one loan (\$553,730 x 2 = \$1,107,460) plus \$45,000, which is a \$7,500 fine for each of the six loans with material underwriting deficiencies.	553,730
2010-AT-1009	8/13/2010	001B	Require the authority to reimburse its operational fund account or HUD, as appropriate, from non-Federal funds \$3,576,521 paid for equipment that did not provide the intended benefits and/or was unaccounted for.	452,192
2010-AT-1003	4/28/2010	001-I	Require the Authority to provide support that \$446,918 in contracts were fairly and openly competed or reimburse its public housing and capital improvement program from nonfederal funds.	446,918
2010-CH-1008	6/15/2010	002-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$360,864 (\$268,795 in housing assistance payments plus \$92,069 in program-associated administrative fees) from non-Federal funds for the overpaid housing assistance and associated administrative fees cited in this finding.	360,864
2011-PH-1005	12/23/2010	003-B	Deobligate \$279,245 in available funds associated with the ineligible CHDO and reprogram the funds for other eligible HOME activities, thereby putting the funds to better use.	279,245
2010-AT-1003	4/28/2010	001-J	Require the Authority to provide support for the \$275,282 in capital fund drawdowns or reimburse its capital improvement program from nonfederal funds.	275,282
2010-AT-1003	4/28/2010	001-F	Require the Authority to provide support for \$264,229 in disbursements or repay any unsupported costs to its public housing operating and capital improvement program from nonfederal funds.	264,229

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2010-CH-1808	7/22/2010	001-A	We recommend that HUD's Associate General Counsel for Program Enforcement determine legal sufficiency and if legally sufficient, pursue remedies under the Program Fraud Civil Remedies Act against Mac-Clair and/or its principals for incorrectly certifying to the integrity of the data or that due diligence was exercised during the underwriting of seven loans that resulted in losses to HUD totaling \$562,551 which could result in affirmative civil enforcement action of approximately \$1,177,602.	243,000
2010-PH-1008	5/11/2010	001-B	Provide documentation to demonstrate that \$1,945,050 was used for eligible activities that met the criteria of its HUD-approved budget line items or repay HUD from non-Federal funds.	227,772
2010-NY-1011	4/7/2010	001-A	We recommend that the Director, Office of Public Housing, New York, instruct the Authority to reimburse from non-Federal funds the \$219,715 expended for ineligible costs as follows; \$215,402 to HUD, and \$4,313 to the 2007 ROSS Family grant.	219,715
2010-CH-1008	6/15/2010	003-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$211,573 (\$188,722 in housing assistance payments plus \$22,851 in associated program administrative fees) from non-Federal funds for the housing assistance and associated administrative fees for the 14 households cited in this finding.	211,573
2010-AT-1003	4/28/2010	001-D	Require the Authority to account for \$134,889 in tenant rent receipts or repay any unsupported amounts to its public housing operating program from nonfederal funds.	134,889
2010-NY-1011	4/7/2010	001-B	We recommend that the Director, Office of Public Housing, New York, instruct the Authority to provide documentation for the unsupported Family Self-Sufficiency and ROSS grant program costs of \$100,637 so that HUD can make an eligibility determination. If adequate documentation cannot be provided, these costs should be repaid from non-Federal funds.	100,637
2010-PH-1012	7/27/2010	001-A	Provide documentation to support that payments for goods and services totaling \$1,736,962 were fair and reasonable or reimburse the applicable programs from non-Federal funds for any amounts that it cannot support.	82,064
2010-CH-1008	6/15/2010	001-B	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$34,650 (\$33,632 in housing assistance payments plus \$1,018 in associated program administrative fees) from non-Federal funds for the inappropriate retroactive payments and associated administrative fees for the two projects cited in this finding.	34,650

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2010-AT-1003	4/28/2010	001-H	Require the Authority to support the \$27,097 in unreasonable costs or reimburse its public housing and capital improvement program from nonfederal funds.	27,097
2010-NY-1010	4/7/2010	002-C	We recommend that the Director, Office of Public Housing, New York, instruct the Authority to reimburse from non-Federal sources the low-rent program operating account for the ineligible expenditure of \$38,355.	13,355
2010-NY-1010	4/7/2010	002-B	We recommend that the Director, Office of Public Housing, New York, instruct the Authority to strengthen controls over payroll processing to ensure that employees properly account for time worked, employee time records are signed, and adequate segregation of duties is established in compliance with OMB Circular 87.	3,398
2010-AT-1003	4/28/2010	001-G	Require the Authority to reimburse its public housing program \$2,250 for ineligible costs using non-federal funds.	2,250
2010-BO-0001	2/18/2010	001-O	Pursue all administrative and/or civil monetary penalties for the regulatory and contract violations disclosed in this finding.	0
2010-AT-1006	6/11/2010	004-B	Require the Department to review all grant agreements for each activity entered into HUD's information system and correct any inaccurate information, including funding amount, activity status, and fund type classification.	0
2010-AT-1011	8/25/2010	001-E	Recapture any shortfalls generated by the closure and deobligation of funds associated with recommendations 1C and 1D that do not meet statutory requirements for the timely commitment and expenditure of funds pursuant to the National Defense Authorization Act of 1991 and/or Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended.	0
2011-FO-0003	11/15/2010	001-A	Cease the changes being made to IDIS for the HOME program related to the FIFO rules until the cumulative effect of using FIFO can be quantified on the financial statements.	0
2011-FO-0003	11/15/2010	001-B	Change IDIS so that the budget fiscal year source is identified and attached to each activity from the point of obligation to disbursement.	0
2011-FO-0003	11/15/2010	001-C	Cease the use of FIFO to allocate funds (fund activities) within IDIS and disburse grant payments. Match outlays for activity disbursements to the obligation and budget fiscal source year in which the obligation was incurred, and in addition, match the allocation of funds (activity funding) to the budget fiscal year source of the obligation.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-FO-0003	11/15/2010	001-D	Include as part of the annual CAPER, a reconciliation of HUD's grant management system, IDIS, to grantee financial accounting records on an individual annual grant basis, not cumulatively, for each annual grant awarded to the grantee.	0
2011-PH-1005	12/23/2010	004-D	Require its subrecipient, Greater Washington Urban League, to implement a system for maintaining time records that track employee time charges to the HOME program as required by OMB.	0
2011-PH-1005	12/23/2010	004-E	Implement an effective communication process with the appropriate OCFO staff to ensure compliance with record-keeping requirements for the HOME program.	0
2011-PH-1005	12/23/2010	004-F	Identify at least annually its universe of HOME program recipients and applicable projects to be reviewed and monitor this universe including required onsite visits.	0
2011-PH-1005	12/23/2010	004-G	Establish a procedure, on an annual basis, on which to base future funds obligated for administrative costs on actual administrative expenses. This procedure will ensure that any amount in excess of actual expenditures is recommitted for use on eligible HOME projects.	0
2012-PH-0001	10/31/2011	001-B	Direct responsible grantees to justify the use of \$66,849,658 that it disbursed for cancelled Block Grant program activities or repay HUD from non-Federal funds.	66,849,658
2011-NY-1010	4/15/2011	002-B	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to provide documentation to justify the \$20,143,219 (\$4,902,754 + \$15,240,465) in unsupported transactions recorded in the CDBG program income account. Any receipts determined to be unrecorded program income should be returned to the CDBG program, and any expenditures determined to be ineligible should be reimbursed from non-Federal funds.	5,290,982
2011-NY-1010	4/15/2011	002-A	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development require the City to suspend incurring costs and/or reimbursing itself for costs paid from the City's municipal general expense account for economic development activities until HUD determines whether the City has the capacity to carry out its CDBG economic development activities in compliance with HUD regulations. If it is determined that the City lacks the capacity, the \$4,739,829 in economic development projects funds remaining for fiscal years 2008, 2009, and 2010 should be reprogrammed so the City can assure HUD that these funds will be put to better use.	4,739,829

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-AT-1018	9/28/2011	002-D	Require the Municipality to put to better use \$2,854,395 associated with unexpended funds maintained in its local bank account.	2,854,395
2011-CH-1006	3/23/2011	003-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$2,828,244 (\$2,609,362 in housing assistance payments and \$218,882 in associated administrative fees) from non-Federal funds for the housing assistance payments and associated administrative fees for the 146 households cited in this finding.	2,828,244
2011-NY-1012	8/16/2011	001-A	We recommend that HUD's Acting Deputy Assistant Secretary for Single Family Housing require Ameritrust officials to indemnify HUD against any future losses on the 10 loans with material underwriting deficiencies. The projected loss is \$2,742,810 based on HUD's loss rate of 59 percent of the unpaid principal balance of \$4,648,830.	2,742,810
2011-AO-0001	6/22/2011	001-A	Support or repay from non-Federal funds any amounts that it cannot support, including \$1,568,245 to its operating fund and \$973,126 to its capital fund paid for (1) contracts that were improperly procured, (2) contract overpayments, or (3) contract payments made outside of the contract effective dates.	2,541,371
2011-AT-1018	9/28/2011	002-C	Require the Municipality to reimburse the HOME program from non-Federal funds \$2,263,799 paid for ineligible costs.	2,439,751
2011-AT-1018	9/28/2011	001-A	Determine the eligibility of the \$2,399,428 disbursed for four projects with signs of slow progress and reevaluate the feasibility of the activities. Total disbursements of \$3,483,086 were adjusted to consider \$713,008 questioned in recommendation 2C and \$370,650 in recommendation 2A. The Municipality must reimburse its HOME program from non-Federal funds for activities that HUD determines to have been terminated.	2,399,428
2011-CH-1006	3/23/2011	002-A	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$2,303,853 from non-Federal funds for the unallowable transactions cited in this finding.	2,303,853
2011-NY-1010	4/15/2011	001-C	We further recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to provide documentation to justify the \$1,982,988 in unsupported costs associated with street improvement expenditures incurred between June 2007 and October 2009. Any unsupported costs determined to be ineligible should be reimbursed from non-Federal funds.	1,982,988

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-CH-1012	8/9/2011	002-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Capital Fund \$1,539,629 from non-Federal funds for the ineligible payments cited in this finding.	1,539,629
2011-AT-1006	4/8/2011	002-A	Require the Municipality to submit all supporting documentation showing the eligibility and propriety of \$1.5 million charged to the HOME program for the development of the Villas de Felisa housing project or reimburse the program from non-Federal funds.	798,000
2011-AT-1018	9/28/2011	001-C	Require the Municipality to reimburse its HOME program from non-Federal funds \$766,480 for disbursements associated with terminated activities that did not meet HOME objectives.	766,480
2011-NY-1010	4/15/2011	003-A	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development require the City to suspend incurring costs and/or reimbursing itself for costs paid from the City's municipal general expense account for clean and seal activities until HUD determines whether the City has the capacity to carry out its CDBG clean and seal activities in compliance with HUD regulations. If it is determined that the City lacks the capacity, \$744,479 in fiscal year 2010 clean and seal program funds should be reprogrammed so the City can assure HUD that these funds will be put to better use.	744,479
2011-NY-1010	4/15/2011	003-C	We further recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to provide documentation to justify the \$716,622 (\$545,607 + \$24,069 + \$146,946) in unsupported clean and seal costs incurred so that HUD can make an eligibility determination. Any costs determined to be ineligible should be reimbursed from non-Federal funds.	716,622
2011-AT-1006	4/8/2011	001-C	Require the Municipality to submit all supporting documentation showing the allowability and allocability of \$1,062,991 disbursed for participant families at the Villas de Felisa housing project or reimburse this amount to its HOME treasury account or HUD, as appropriate, from non-Federal funds. Footnote 6: Total disbursements of \$2,836,000 were adjusted to consider \$1,500,000 questioned in recommendation 2A and \$273,009 ineligible in recommendation 1D.	574,566
2011-AO-0001	6/22/2011	001-J	As related to DHAP, support or repay from non-Federal funds any amounts that it cannot support for a total of \$435,442 to its operating fund, which includes (1) \$140,966 and \$96,525 disbursed to two DHAP case managers who were paid without an executed contract and for unsubstantiated, excessive salary increases; and (2) \$197,951 disbursed to the three DHAP case managers for unsubstantiated, excessive salary increases.	435,442

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-CH-1012	8/9/2011	002-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to return the \$411,228 in excess capital fund draws cited in this finding.	411,228
2011-CH-1012	8/9/2011	002-D	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide supporting documentation or reimburse its Capital Fund \$394,683 from non-Federal funds for the unsupported costs cited in this finding.	394,683
2011-FW-0002	4/26/2011	001-E	Review the \$756,833 in unsupported costs at the two properties identified in this report, determine their validity, and take appropriate action.	386,562
2011-CH-1006	3/23/2011	002-B	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$330,457 from non-Federal funds for the unsupported transactions cited in this finding.	330,457
2012-NY-1002	10/18/2011	001-B	We recommend that the Director of HUD's New York City Office of Community Planning and Development instruct City officials to provide documentation to justify the \$329,937 in unsupported salary costs incurred between June and September 2010. Any unsupported costs determined to be ineligible should be reimbursed from non-Federal funds.	329,937
2011-NY-1010	4/15/2011	003-B	We further recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to reimburse from non-Federal funds the \$304,506 related to ineligible clean and seal code enforcement costs.	304,506
2011-AT-1006	4/8/2011	001-D	Require the Municipality to reimburse its HOME treasury account or HUD, as appropriate, from non-Federal funds \$273,009 paid for land acquired for the Villas de Felisa housing project that did not provide the intended benefits.	255,989
2011-AT-1006	4/8/2011	001-A	Require the Municipality to reimburse its HOME treasury account or HUD, as appropriate, from non-Federal funds \$4,433,035 for disbursements associated with two activities that did not meet HOME program objectives. Footnote 5: Total disbursements of \$4,444,697 were adjusted to consider \$11,662 questioned in recommendation 2B.	199,037
2011-NY-1012	8/16/2011	001-B	We recommend that HUD's Acting Deputy Assistant Secretary for Single Family Housing require Ameritrust officials to reimburse HUD for the loss of \$183,327 that resulted from the amount of the claim and associated fees paid on one loan with material underwriting deficiencies.	183,327

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-CH-1012	8/9/2011	003-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its appropriate programs \$180,649 from non-Federal funds for the ineligible payments cited in this finding.	180,649
2011-CH-1012	8/9/2011	004-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Capital Fund \$127,050 from non-Federal funds for the ineligible payments cited in this finding.	127,050
2011-NY-1010	4/15/2011	001-B	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development reimburse from non-Federal funds \$162,923 (\$134,711+\$28,212) expended on ineligible costs pertaining to street improvement projects not done and a duplicate reimbursement.	120,199
2011-CH-1012	8/9/2011	004-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its operating fund \$107,692 from non-Federal funds for ineligible payments cited in this finding.	107,692
2011-CH-1006	3/23/2011	003-B	We recommend that the Director of HUD's Chicago Office of Public Housing require the Authority to provide supporting documentation or reimburse its program \$69,793 from non-Federal funds for the O'Hare Modernization Program funds received for the seven households cited in this finding.	69,793
2011-CH-1018	9/30/2011	003-A	We recommend that the Director of Public Housing, Detroit Office, require the Commission to reimburse wage restitution of \$66,210 to its force account staff and provide proof that the payments were made to HUD's Office of Labor Relations.	66,210
2011-CH-1018	9/30/2011	003-F	We also recommend that the Director of Public Housing, Detroit Office, to recapture all funds that the Commission obligated for unit turnovers by its force account for transmission to the U.S. Treasury. This amount includes the work item for cycle painting and carpet removal work by its force account for \$24,149 and \$12,082 that was inappropriately obligated due to the Commission's conflict-of-interest relationship that has not been spent.	36,231
2012-NY-1002	10/18/2011	001-A	We recommend that the Director of HUD's New York City Office of Community Planning and Development instruct City officials to reimburse from non-Federal funds \$93,436 for ineligible costs charged to HPRP; specifically, \$59,430 related to payments for rental arrears over the 6-month eligibility requirement and \$34,006 for payments issued directly to participants.	34,006

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-CH-1012	8/9/2011	003-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide supporting documentation or reimburse its appropriate programs \$30,236 from non-Federal funds for the unsupported costs cited in this finding.	29,112
2011-KC-1002	3/1/2011	001-B	Return the \$81,153 in ineligible draws to HUD subject to the 90 percent limitation on the obligation period and repay the remaining amount to the project from non-Federal funds.	26,411
2011-CH-1018	9/30/2011	002-E	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse HUD \$17,500 from non-Federal funds for contract work involving repairs to the Commission's sidewalks and driveways and brickwork that were not completed for HUD to recapture and transmit to the U.S. Treasury.	17,500
2011-CH-1012	8/9/2011	002-F	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Capital Fund \$13,085 from non-Federal funds for the inappropriately earned interest cited in this finding.	13,085
2011-AT-1006	4/8/2011	002-B	Require the Municipality to submit all supporting documentation showing the eligibility and propriety of \$23,862 drawn from HUD or reimburse the HOME program from non-Federal funds.	12,130
2011-CH-1018	9/30/2011	002-F	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse HUD \$11,205 for the physical needs assessment paid with its Recovery Act funds for HUD to recapture and transmit to the U.S. Treasury. However, the Commission could pay for the activity with its 2010 capital funds.	11,205
2011-CH-1018	9/30/2011	003-C	We recommend that the Director of Public Housing, Detroit Office, require the Commission to reimburse HUD \$9,322 from non-Federal funds, due to the conflict-of-interest relationship, for transmission to the U.S. Treasury for the inappropriate use of grant funds.	9,322
2011-AT-1018	9/28/2011	002-B	Require the Municipality to submit supporting documentation showing the allocability of \$39,338 and any additional payroll costs charged to the HOME program between July 1, 2009, and June 30, 2011, associated with the three employees performing other functions not related to the program, or reimburse the program from non-Federal funds.	6,875

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-KC-1002	3/1/2011	001-A	Provide support for the \$90,534 drawn for unsupported costs or return the funds to HUD subject to the 90 percent limitation on the obligation period and repay the remaining amount to the project from non-Federal funds. This support includes verifying that the Authority appropriately reimbursed the \$80,716 via voucher 092-519938.	5,079
2011-CH-1018	9/30/2011	002-G	We also recommend that the Director of Public Housing, Detroit Office to recapture the remaining \$3,851 that the Commission obligated but had not expended for repairs to its sidewalk, driveway, and brickwork for transmission to the U.S Treasury.	3,851
2011-NY-1012	8/16/2011	001-C	We recommend that HUD's Acting Deputy Assistant Secretary for Single Family Housing require Ameritrust officials to ensure that borrowers have been reimbursed \$3,843 for unallowable excessive loan discount and second appraisal fees.	3,843
2011-CH-1006	3/23/2011	001-A	We recommend that the Director of HUD's Chicago Office of Public Housing, in conjunction with the Director of HUD's Departmental Enforcement Center take administrative action against the executive director and board of commissioners for failing to administer the Authority according to HUD's and its own requirements.	0
2011-NY-1010	4/15/2011	002-C	We further recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to certify and provide support that the proper amount of CDBG assets was returned to the City from the subrecipient by performing an audit of the accounts that the Corporation maintained.	0
2011-NY-1010	4/15/2011	002-D	We further recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to establish and implement controls that will ensure adequate monitoring of subrecipient-administered activities, that CDBG funds are properly safeguarded, the achievement of performance goals in subrecipient supported activities, and that corrective actions are taken for nonperforming subrecipients.	0
2011-NY-1010	4/15/2011	003-D	We further recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct the City to develop administrative control procedures that will ensure compliance with CDBG program requirements, including ensuring that costs are eligible and necessary before being charged to the program.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-AT-1011	7/8/2011	001-A	Require Prospect to reimburse HUD \$344,326 for the actual loss sustained on five claim-terminated loans that HUD sold.	0
2011-AT-1011	7/8/2011	001-B	Require Prospect to reimburse HUD for potential losses on three claim-terminated loans that HUD has not resold. We estimate the losses to be \$202,655 (Footnote 6): We calculated the potential loss for recommendations 1B and 1C using the 59 percent average loss rate determined by HUD for the 2010 fiscal year for real estate owned properties that it sold. We applied the loss rate to the unpaid principal balances for loans listed in appendices C and D.	0
2011-AT-1011	7/8/2011	001-C	Require Prospect to indemnify HUD against \$1,694,217 in potential losses on 17 defaulted loans.	0
2011-AT-1011	7/8/2011	001-D	Require Prospect to pay down the principal balance by \$3,276 for 4 over-insured loans. If HUD has paid a claim on any of these loans then it should remit the payment to HUD.	0
2011-AT-1011	7/8/2011	001-H	Determine legal sufficiency, and if legally sufficient, pursue civil action against Prospect and its underwriters for incorrectly certifying to the integrity of the data or that due diligence was exercised during the underwriting of 25 loans that placed the FHA insurance fund at risk for \$550,257 in questioned costs and potential losses of \$1,694,217. The penalty amount will be determined through a separate civil process.	0
2011-AT-1011	7/8/2011	001-I	Take appropriate administrative action against Prospect and underwriters A, B, C, F, G, and H for not complying with HUD requirements. The underwriters were responsible for the violations identified in appendices C and D.	0
2011-NY-1012	8/16/2011	002-A	We recommend that HUD's Acting Deputy Assistant Secretary for Single Family Housing require Ameritrust officials to establish procedures to ensure that their quality control plan is implemented in accordance with HUD requirements, including but not limited to revising the plan to ensure that it includes all basic and specific requirements and ensuring that all required documentation supporting the performance of quality control reviews is retained in the quality control files.	0
2011-NY-1012	8/16/2011	002-B	We also recommend that HUD's Associate Deputy Assistant Secretary for Single Family Housing verify the lender's implementation of corrective actions taken with regard to its quality control plan.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2011-NY-1012	8/16/2011	002-C	We also recommend that HUD's Associate Deputy Assistant Secretary for Single Family Housing due to the materiality of the quality control violations, several of which were previously cited during a HUD review, consider referring the lender to the Mortgagee Review Board for an assessment of civil money penalties.	0
2011-LA-1017	9/21/2011	001-A	Refer the lender to the Mortgagee Review Board to take appropriate administrative action, such as imposing civil money penalties for the 15 loans due to the lender's failure to underwrite loans in compliance with HUD regulations and the unallowable restrictive covenants.	0
2011-AT-1018	9/28/2011	002-F	Require the Municipality to update its accounting records and ensure that receipts and expenditures are properly accounted for, are reconciled with HUD's information system, and comply with HUD requirements.	0
2011-AT-1018	9/28/2011	002-G	Require the Municipality to develop and implement a financial management system in accordance with HUD requirements, including that HOME funds can be traced to a level which ensures that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes and that funds are disbursed in a timely manner.	0
2011-CH-1018	9/30/2011	003-B	We recommend that the Director of Public Housing, Detroit Office, require the Commission to identify the specific units assigned to each maintenance staff member for phase II unit turnover work and to the contractor for phase III unit turnover work and provide support to show when each unit was assigned, what work was to be done, who worked in the units, and when the work was performed, showing the days and hours spent in each unit until it was approved as completed. If the Commission cannot provide satisfactory records to support unit turnover costs and that duplicate unit turnover work was not performed, HUD should require that these costs be returned to HUD.	0
2012-PH-0001	10/31/2011	001-A	Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of cancelled Block Grant program activities.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2012-PH-0001	10/31/2011	001-C	Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of long-standing open Block Grant program activities.	0
2012-PH-0001	10/31/2011	001-D	Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of revised Block Grant program activities.	0
2012-PH-0001	10/31/2011	001-E	Periodically evaluate the adequacy of actions grantees take regarding cancelled and long-standing open or revised activities shown in its System.	0
2012-LA-0001	11/16/2011	001-A	Establish and implement procedures to reassess the safe harbor percentage and rates periodically to ensure that they are reasonable. HUD should retain the documentation justifying the calculation of those percentages and rates. In addition, HUD should assess the feasibility of requiring the agencies to periodically justify and retain documentation showing the reasonableness of using the maximum rates, or lower them as appropriate.	0
2013-PH-1001	10/31/2012	001-A	Reimburse its business development loan program \$5,999,894 from non-Federal funds for the ineligible expenditures related to the Hotel Sterling project.	5,999,894
2012-AT-1009	5/23/2012	001-A	Require the Municipality to develop and implement a financial management system in accordance with HUD requirements and ensure that \$3,213,572 in HOME funds drawn from HUD between July 1, 2009, and December 31, 2011, can be traced to a level which ensures that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes or reimburse the HOME program from non-Federal funds (Footnote 2). Total disbursements of \$3,523,723 were adjusted to consider \$173,978 questioned in recommendation 1B, \$86,567 questioned in recommendation 1D, and \$49,606 questioned in recommendation 2B.	3,213,572
2012-CH-1013	9/27/2012	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse HUD \$3,120,000 from non-Federal funds for transmission to the U.S. Treasury for its four Recovery Act grant funds for category 4, option 2 of HUD's Notice of Funding Availability, dated June 3, 2009, whose activities were not contracted using full and open competition.	3,120,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2012-FW-1803	4/10/2012	001-E	Support or repay \$2,048,750 for the CDBG-purchased land sold or donated for the minor league baseball park.	2,048,750
2012-PH-1011	8/3/2012	001-F	Provide adequate documentation to show that affordability requirements were met for three rental projects or repay the Program \$1,272,325 from non-Federal funds.	1,272,325
2012-PH-1011	8/3/2012	001-C	Repay the Program \$1,235,940 from non-Federal funds for funds disbursed for a project that was acquired but not completed.	1,235,940
2012-PH-1011	8/3/2012	001-B	Repay the Program the \$1,025,654 it was previously asked to repay for funds disbursed to an ineligible development organization.	1,025,654
2012-PH-1011	8/3/2012	001-L	Use its resources available of approximately \$615,703 in administrative funds to strengthen its administration of the Program.	615,703
2012-AT-1009	5/23/2012	002-B	Determine the eligibility of the \$537,773 disbursed for the Ciudad de Ensueño project and reevaluate the feasibility of the activity. (Footnote 9) Total disbursements of \$538,973 were adjusted to consider \$1,200 questioned in recommendation 1F. The Municipality must reimburse its HOME program from non-Federal funds if HUD determines the activity to have been terminated.	537,773
2012-PH-1011	8/3/2012	001-D	Reprogram \$464,060 in committed set-aside funds for other eligible activities, thereby putting the funds to better use.	464,060
2012-NY-1011	8/15/2012	002-A	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City Officials to reimburse the City's CDBG line of credit \$475,339 from non-Federal funds for the unreported (\$267,141) and unremitted (\$208,198) in program income from the sale of the theater and four properties; and record these reimbursements in HUD's Integrated Disbursement and Information System as CDBG program income.	456,869
2012-AT-1012	6/1/2012	001-A	Require the Authority to reimburse its public housing operating fund \$522,125 using non-Federal funds.	443,807
2012-CH-1012	9/27/2012	001-K	We recommend that the Director of HUD's Detroit Office of Public Housing determine the amount of the \$573,170 of coordinator grant funds that were actually earned by the Commission for meeting the program's requirements. The funds that are determined to be unearned should be reimbursed to HUD from non-Federal funds.	299,750

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2012-BO-1002	3/14/2012	001-J	We recommend that the Program Center Coordinator of the Hartford Office of Public Housing support that \$2,506,434 in contract costs charged to Federal programs was reasonable and supportable, and repay any amounts it cannot support with non-Federal funds.	269,023
2012-NY-1011	8/15/2012	002-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City Officials to provide documentation to enable HUD to determine whether the City is entitled to additional program income of \$263,938 from the disposition of the Church property.	263,938
2012-LA-1005	3/13/2012	001-E	Reimburse \$897,821 from non-Federal funds for using Brownfields grant funds after the grant agreement expenditure deadline, plus any interest due, to HUD's Brownfields account.	249,058
2012-KC-1002	3/2/2012	002-B	Support that \$304,780 in Recovery Act change orders was provided at a reasonable cost and repay any amount determined to be unreasonable from non-Federal funds to the U.S. Treasury.	216,529
2012-PH-1011	8/3/2012	001-A	Repay the Program \$150,000 from non-Federal funds for operating funds it disbursed to two ineligible development organizations.	150,000
2012-LA-1006	5/21/2012	002-B	Require the project's cooperative ownership to support \$133,904 in unsupported costs or repay the project from non-Federal funds.	133,904
2012-LA-1006	5/21/2012	003-A	Establish and implement sufficient written procedures and controls for documenting shareholder interest and the funding and maintenance of the general operating reserve account, which would ensure that \$127,303 in funds can be put to better use.	127,303
2012-AT-1009	5/23/2012	001-C	Require the Municipality to submit supporting documentation showing the allocability and eligibility of \$114,139 charged to the HOME program for project delivery costs or reimburse the program from non-Federal funds.	114,139
2012-NY-1011	8/15/2012	001-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City Officials to reimburse the City's CDBG line of credit from non-Federal funds for the \$150,000 ineligible loan.	93,500
2012-PH-1011	8/3/2012	001-G	Provide adequate documentation for \$86,575 in salaries and office expenses related to down payment assistance activities or repay the Program from non-Federal funds.	86,575

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2012-LA-1006	5/21/2012	001-C	Require Amar Plaza to seek indemnification of \$75,038 in paid legal costs, \$72,246 in outstanding costs, and future legal costs from the two shareholders who improperly executed the deed and note and named Rampart as the beneficiary and retain the two shareholders' subscription price for liquidated damages incurred for the unauthorized encumbrance on the project.	73,964
2013-FO-0003	11/15/2012	006-B	Review the 270 obligations with remaining balances totaling \$432,147 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	64,088
2012-LA-1005	3/13/2012	001-C	Reimburse \$625,000 from non-Federal funds for using Brownfields grant funds for an ineligible project after the grant agreement deadline, plus any interest due, to HUD's Brownfields account.	58,922
2012-CH-1009	8/3/2012	003-A	We recommend that the program center coordinator of HUD's Office of Public and Indian Housing require the Authority to provide documentation to support HUD's approval of its waiver requests or reimburse HUD \$46,828 from non-Federal funds for transmission to the U.S. Treasury for the Recovery Act grant funds used to purchase materials manufactured outside the United States.	46,782
2012-LA-1005	3/13/2012	001-A	Repay \$3,817,000 from non-Federal funds for the use of Section 108 loan funds for an ineligible project, plus any interest due, to HUD's Section 108 loan account.	29,650
2012-CH-1009	8/3/2012	001-B	We recommend that the program center coordinator of HUD's Office of Public and Indian Housing require the Authority to provide documentation to show that the contract costs for the testing of asbestos were reasonable or reimburse HUD \$26,875 from non-Federal funds for transmission to the U.S. Treasury.	26,875
2012-PH-1011	8/3/2012	001-H	Provide supporting documentation showing that income eligibility requirements were met for the rehabilitation assistance case, and to support the excess rehabilitation funds spent or reimburse the Program \$26,645 in assistance funds provided from non-Federal funds.	26,645
2012-CH-1012	9/27/2012	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its program \$21,650 from non-Federal funds for the overpayment of escrow funds to the participants cited in this finding.	19,719
2012-KC-1002	3/2/2012	001-A	Support that \$1,570,038 in Recovery Act contracts awarded was granted at a reasonable cost and repay the U.S. Treasury from non-Federal funds any amount determined to be unreasonable.	19,575

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2012-CH-1002	1/26/2012	003-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse \$22,430 (\$16,335 + \$6,095) from non-Federal funds to HUD for transmission to the U.S. Treasury for the projects that had Section 3 funds included but not remitted to the Commission's Section 3 training fund.	17,946
2012-CH-1012	9/27/2012	001-H	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide supporting documentation or reimburse its program \$17,008 from non-Federal funds for the unsupported payments cited in this finding.	16,335
2012-CH-1002	1/26/2012	006-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse \$11,289 (the difference between the contract paid price of \$33,638 and the lesser calculated cost of \$ 22,349) from non-Federal funds to HUD for transmission to the U.S. Treasury for the cost savings cited in this finding.	10,573
2012-CH-1011	9/27/2012	001-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to obtain documentation to support that employees were paid in accordance with the Davis-Bacon Act, or reimburse the employees \$6,820 from non-Federal funds for the unsupported wages cited in this report.	6,820
2012-LA-1006	5/21/2012	002-A	Require the project's cooperative ownership to repay the operating account the \$4,921 in ineligible or unreasonable expenses from non-Federal funds.	4,921
2012-CH-1011	9/27/2012	002-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse \$680 to HUD from non-Federal funds for transmission to the U.S. Treasury for the one range and one refrigerator that were improperly replaced.	680
2012-CH-1011	9/27/2012	001-B	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to pursue collections from the subcontractor and provide support for corrective payments made to its employee or reimburse the contractor's employee \$537 from non-Federal funds.	537
2012-FW-1803	4/10/2012	001-B	Repay HUD the higher of the cost or market value of the properties purchased with CDBG funds that the Authority still owns (book value is \$3,122,900). FN The \$3,122,900 was included in the schedule of questioned costs in audit report 2008-FW-1012.	0
2012-FW-1803	4/10/2012	001-F	Support or repay the higher of the cost or market value of the property identified as Block 78 (property north of Hartford building).	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2012-AT-1009	5/23/2012	003-C	Require the Municipality to review all grant agreements for each activity entered into HUD's information system and correct any inaccurate information, including the address of HOME-funded activities, project completion date, fund type classification, activity type and description, funding amount, and activity status.	0
2012-AO-1002	7/30/2012	002-I	Take appropriate administrative sanctions against the executive director, including but not limited to debarment from HUD programs, for the disbursement of Federal funds prohibited by HUD requirements.	0
2012-AO-1002	7/30/2012	003-D	Take appropriate administrative sanctions against the executive director and board members, up to and including debarment, for the disbursement of Federal funds prohibited by HUD requirements.	0
2012-AO-1002	7/30/2012	004-D	Take appropriate administrative sanctions against the executive director, up to and including debarment, for the disbursement of Federal funds prohibited by HUD requirements.	0
2012-LA-0003	9/18/2012	001-G	Ensure that HUD receives repayment for routine inspections that were not conducted by field service managers between June 2011 and February 2012 and ensure that repayment is received for inspections that were not provided by asset managers between June 2011 and March 2012.	0
2013-FO-0003	11/15/2012	003-C	Develop and implement formal financial management policies and procedures to require an annual evaluation by OCFO and applicable program offices of all allowance for loss rates and other significant estimates currently in use to ensure appropriateness.	0
2013-FO-0003	11/15/2012	004-B	Develop internal controls to review field office compliance more frequent than every 4 years, especially when findings have been identified in the past, and to ensure that action plans operate effectively and have addressed the deficiencies noted so that noncompliance is not repeated during the next quality management review.	0
2013-AT-1001	11/30/2012	001-A	Develop and implement a financial management system in accordance with HUD requirements.	0
2014-FO-0003	12/16/2013	002-A	Transition the PHA NRA excess funds, which are as much as \$643.6 million as of June 30, 2013, to HUD's control as soon as possible to safeguard the program resources.	248,239,577

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-LA-1008	8/20/2013	001-B	Indemnify HUD against losses for the 725 FHA-insured loans with an unallowable gift in the amount of \$97.3 million, thereby putting an estimated loss to HUD of \$55.4 million to better use. See appendixes D and E.	55,439,896
2014-FO-0002	12/13/2013	001-C	Review and de-obligate, as appropriate, the \$43 million in expired property-related contracts once they have been closed out by the contracts office.	43,000,000
2013-CH-1011	9/30/2013	001-A	We recommend that the Director of HUD's Detroit Office of Multifamily Housing Programs require the Authority to ensure that \$31,148,477 in residual receipts for the 15 projects as of May 31, 2013, is used to reduce or offset housing assistance payments in accordance with HUD's requirements.	31,148,477
2014-FO-0003	12/16/2013	008-F	Review and deobligate at least \$26 million tied to 215 inactive and/or expired Section 8 obligations.	26,000,000
2014-FO-0003	12/16/2013	008-E	Research and deobligate at least \$9.3 million tied to the 115 inactive and/or expired Section 202/811 funding lines.	9,300,000
2014-FO-0003	12/16/2013	008-O	Deobligate \$7,263,662 tied to 178 administrative obligations marked for deobligation during the department-wide unliquidated obligations review.	7,263,662
2013-DE-1005	9/30/2013	001-A	Ensure that the Authority recovers from non-Federal sources \$5,496,367 in disposition sales proceeds that was not received from the sale of its 65 low-income public housing units and use the recovered funds for their intended purposes or return those funds to HUD within a reasonable period.	5,496,367
2013-LA-1003	3/14/2013	001-A	Repay the \$5,178,293, transferred without proper HUD approval and used for ineligible expenses, to the trust fund from non-Federal funds.	5,178,293
2014-PH-1001	12/17/2013	001-C	Provide for HUD review documentation to support \$5,014,403 drawn for the additional 15 activities.	5,014,403
2014-PH-1001	12/17/2013	001-B	Provide to HUD a remediation plan for the 10 delayed activities and demonstrate that national objectives have been met as required to support \$4,078,941 in program funds drawn for the activities.	4,078,941
2013-CH-1003	7/15/2013	001-D	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to provide supporting documentation or reimburse its operating reserve fund \$4,003,683 (\$3,610,666 + \$227,500 + \$111,856 + \$39,189 + \$14,472) from non-Federal funds for the unsupported salary and benefit payments; operating contribution payments; and lawn maintenance, snow removal, utility, and training costs for the developments and program cited in this finding.	4,003,683

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1003	7/15/2013	001-A	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its capital fund \$3,569,942 (\$3,319,942 + \$250,000) from non-Federal funds for the ineligible drawdowns and disbursements cited in this finding.	3,569,942
2014-FO-0003	12/16/2013	008-K	Deobligate the \$1,419 tied to three administrative obligations marked for deobligation during the department-wide unliquidated obligations review. Additionally, OCFO should review the 42 obligations with remaining balances totaling \$3,115,954 and close out and deobligate amounts tied to obligations that are no longer valid, either based on the criteria defining the availability of appropriations at 31 U.S.C. 1301 or the criteria for recording obligations at 31 U.S.C. 1501.	3,117,373
2013-FW-1006	6/19/2013	002-E	Determine how much of the \$7,010,079 in unreimbursed expenditures for damage assessment was paid with Federal funds and repay that amount to the appropriate program. If the Authority is unable to accurately determine the amount due to due from each program and support that funds charged to Federal programs were appropriate, the full \$7,010,079 should be repaid to HUD.	2,971,168
2013-FW-1006	6/19/2013	002-C	Repay from non-Federal funds the \$3,811,279 it owes HUD for ineligible expenditures from DHAP-Ike funds.	2,888,889
2013-FW-1006	6/19/2013	002-D	Determine how much of the \$2,827,829 in unreimbursed expenditures for Cypresswood Estates was made with Federal funds and repay that amount to the appropriate program. If the Authority is unable to accurately determine the amount due to due from each program and support that funds charged to Federal programs were appropriate, the full \$2,827,829 should be repaid to HUD.	2,827,829
2013-CH-1003	7/15/2013	001-B	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its operating reserve fund \$2,773,976 (\$2,583,429 + \$190,547) from non-Federal funds for the inappropriate transfers to its cost center and salary and benefit payments cited in this finding.	2,773,976
2014-PH-1001	12/17/2013	001-A	Provide documentation to support the \$2,455,162 in unsupported funds drawn for 12 activities or repay the amount to its program from non-Federal funds.	2,455,162

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-NY-1010	9/26/2013	001-A	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to expend or reprogram to other eligible program activities the \$2,451,645 in CDBG program income maintained in the City's community development bank accounts as of June 30, 2013, so the City can assure HUD that these funds have been put to better use.	2,451,645
2013-AT-1003	3/22/2013	001-B	Submit supporting documentation showing the eligibility, reasonableness, and allocability of \$1,829,165 charged to the Block Grant program for payroll expenses that were not properly accounted for in the Municipality's accounting records and for \$422,393-Footnote 2: Amount includes \$385,164 of rent charges between July 2009 and June 2012, and \$37,228 charged to the Block Grant program, associated with administrative and other activity related expenses paid between July 2009 and August 2011, in administrative expenses and other activity-related costs that were not properly supported or reimburse the program from non-federal funds.	2,251,558
2014-AT-1004	12/30/2013	001-B	Require the State to provide supporting documentation for the \$2,158,715 acquisition of property for projects W19, S21, and S20 or reimburse the program from non-Federal funds.	2,158,715
2013-LA-1010	9/20/2013	001-A	Provide adequate supporting documentation for the \$1,628,130 in unsupported salary and benefit costs or repay the CDBG program from non-Federal funds.	1,628,130
2013-LA-1009	9/13/2013	001-A	Reimburse its HOME program \$1,595,113 from non-Federal funds for HOME funds that were inappropriately used on Section 8 housing assistance payments.	1,595,113
2013-AT-1008	9/30/2013	002-A	Provide supporting documentation or reimburse its program \$1,081,092 in unsupported expenditures related to activities 429, 526, 637, and 672 from non-Federal funds.	1,081,092
2013-AT-1003	3/22/2013	002-B	Require the Municipality to provide support showing the allocability and eligibility of \$1,077,577 spent on salaries and fringe benefits for employees who performed local government duties and multiple federally funded activities without properly allocating the costs directly related to carrying out each activity. Any amounts determined ineligible must be reimbursed to the Block Grant program from non-federal funds.	1,077,577
2013-LA-1003	3/14/2013	001-B	Provide support showing the eligibility and reasonableness of the \$1,056,252 in trust funds disbursed or repay the trust fund from non-Federal funds.	1,056,252

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-DE-1005	9/30/2013	001-B	Require the Authority to repay from non-Federal sources \$975,146 in disposition sales proceeds used in violation of its disposition agreement and use the recovered funds for their intended purposes or return those funds to HUD within a reasonable period.	975,146
2013-CH-1009	9/27/2013	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide sufficient documentation to support the reasonableness of \$960,904 in expenses or reimburse HUD \$935,412.	935,412
2013-PH-1804	7/22/2013	001-B	Require the owner to provide documentation to support the \$709,753 in unsupported disbursements identified by the audit or reimburse the project's reserve for replacement account from non-Federal funds for any disbursements that it cannot support.	709,753
2013-FW-1006	6/19/2013	001-A	Provide support showing that the \$2,466,779 in unsupported expenses were paid from non-Federal funds or provide support showing the expenses were an eligible use of Federal funds. Any unsupported expenditures from Federal funds should be repaid to the Authority's Housing Choice Voucher program or to HUD if the Authority is unable to determine the source of funds used to pay the expenses. Any repayments must be from non-Federal funds.	679,174
2013-CH-1011	9/30/2013	002-A	We recommend that the Director of HUD's Detroit Office of Multifamily Housing Programs require the Authority to reimburse the U.S. Treasury \$608,337 (\$77,856+ 436,759 + \$93,722) for the three projects with terminated program contracts.	608,337
2013-CH-1011	9/30/2013	002-B	We recommend that the Director of HUD's Detroit Office of Multifamily Housing Programs require the Authority to obtain approval from HUD to apply the project's replacement reserves to the defaulted mortgage for contract number MI28H150191 or reimburse the U.S. Treasury \$604,949.	604,949
2013-FW-1006	6/19/2013	003-B	Determine whether it received the services for which it paid \$582,595 under two contracts that violated conflict-of-interest prohibitions and that those services cost the same or less than comparable services from a source without a conflict-of-interest relationship with the Authority. If it used Federal funds to pay for the services and it either did not receive the services or paid more for them than it would have paid from a source without a conflict-of-interest relationship, it should repay the funds to its appropriate program or HUD.	574,143

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-AT-1003	3/22/2013	002-A	Require the Municipality to reimburse from non-federal funds \$552,658 in unallowable and unallocated costs associated with the disbursement of salaries and fringe benefits of employees who did not perform duties directly related to carrying out activities charged with the program delivery costs.	552,658
2013-CH-1004	8/1/2013	001-C	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to support or reimburse its program \$425,193 (\$19,924 + \$384,755 in housing assistance payments + \$46 in utility allowances + \$20,468 in associated administrative fees) from non-Federal funds for the unsupported overpayment of housing assistance and utility allowances due to unsupported calculations, missing eligibility documentations, and discrepancies in the housing assistance payments register.	425,193
2013-LA-1008	8/20/2013	002-B	Reimburse the FHA insurance fund for the \$421,630 in actual losses resulting from the amount of claims and associated expenses paid on five loans with material underwriting deficiencies.	421,630
2013-KC-1003	8/8/2013	001-A	Return the \$401,705 in ineligible disbursements to the project operating account.	401,705
2014-AT-1003	12/30/2013	001-B	Correct all deficiencies identified from non-Federal funds or reimburse \$160,051 in CDBG funds and \$221,804 in HOME funds, totaling \$381,855, to program line of credit accounts from non-Federal funds.	381,855
2013-FW-1004	4/12/2013	001-A	Repay \$2,678,698 in 2009 Recovery Act funds to HUD, which will return the funds to the U. S. Treasury, or provide eligible costs that it obligated and expensed before the deadlines. HUD should take care to ensure that other expended funds are not improperly shifted to Recovery Act funds, as HUD's policy stated that public housing agencies must use the funds provided in this grant to supplement expenditures, not to supplant expenditures from other Federal, State or local sources or funds independently generated.	337,564
2013-KC-1003	8/8/2013	001-B	Support the \$316,883 disbursed for unsupported costs or return the funds to the project operating account.	316,883
2014-AT-1001	12/3/2013	001-B	Require the Municipality to submit all supporting documentation showing that 21 home-buyer activities met the principal residency requirement for the duration of the period of affordability or reimburse the HOME program from non-Federal funds the \$307,537 disbursed.	307,537

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1011	9/30/2013	003-A	We recommend that the Director of HUD's Detroit Office of Multifamily Housing Programs require the Authority to reimburse \$290,437 to the appropriate project escrows from non-Federal funds for the inappropriate disbursement of replacement reserves.	290,437
2013-FW-1805	9/26/2013	001-A	Repay \$287,655 paid to the executive director's and another Authority employee's family members to its public housing program. However, if the Authority made any of the expenditures from its 2008 capital fund grant, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD. Any repayments must be from non-Federal funds.	287,655
2013-LA-1008	8/20/2013	001-C	Reimburse the FHA insurance fund for the \$284,412 in actual losses resulting from the amount of claims and associated expenses paid on seven loans that contained an unallowable gift.	284,412
2013-AT-1008	9/30/2013	002-B	Reimburse \$225,235 in ineligible costs related to activities 476, 524, 526, 546, 637, and 699 from non-Federal funds.	225,235
2013-AT-1007	9/13/2013	001-B	Require the owner of Lighthouse Inn to provide documentation to support the \$208,154 in unsupported disbursements cited in this report or reimburse HUD's Federal Housing Administration insurance fund for the applicable portion.	208,154
2013-NY-1006	5/13/2013	001-A	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to provide documentation to justify the \$189,322 in unsupported administrative and planning costs that was disbursed for employee salaries and fringe benefits. Any unsupported costs determined to be ineligible should be reimbursed from non-Federal funds.	189,322
2013-FW-1802	6/21/2013	001-D	Support or repay its public housing programs \$180,379 for HUD funds inappropriately used for Sunnybrook. Repayment should be from non-Federal funds.	180,379
2013-NY-1010	9/26/2013	001-D	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to Provide documentation to justify the \$177,923 unsupported difference between the City's CDBG program income balance in IDIS and its bank account balances as of June 30, 2013. Any portion of the unsupported difference determined to be ineligible should be reimbursed from non-Federal funds.	177,923

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1003	7/15/2013	001-E	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to provide supporting documentation or reimburse its capital fund \$162,156 from non-Federal funds for the Centre's operating expenses cited in this finding.	162,156
2013-AT-1008	9/30/2013	002-I	Provide supporting documentation for activities 675, 697, 701, and 702 to show whether they were eligible HOME activities or reimburse its program \$153,950 from non-Federal funds.	153,950
2013-AT-1007	9/13/2013	001-A	Require the owner of Lighthouse Inn to reimburse HUD's Federal Housing Administration insurance fund \$146,983 for the ineligible disbursements cited in this report.	146,983
2013-PH-1804	7/22/2013	001-A	Require the owner to deposit \$138,862 from non-Federal funds into the project's reserve for replacement account for the ineligible costs identified by the audit.	138,862
2013-FW-1805	9/26/2013	001-G	Support or repay \$135,995 for unsupported procurement expenditures. The funds should be repaid to the Authority's public housing program. However, if the Authority made any of the expenditures from its 2008 capital fund grant, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD. Any repayments must be from non-Federal funds.	135,995
2014-AT-1002	12/5/2013	002-A	Support \$131,787 in unsupported contracts and procurement payments or repay the appropriate program from non-Federal funds.	131,787
2013-AT-1006	7/23/2013	001-C	Remit to its treasury account and put to better use repayment funds totaling \$130,915 in accordance with HUD requirements.	130,915
2013-DE-1003	9/10/2013	001-B	Determine whether any portion of the \$119,218 of improperly disbursed management agent fees are ineligible. For any portion determined to be ineligible, require the owner to repay the fees from non-project funds.	119,218
2013-CH-1012	9/30/2013	001-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide documentation for the three contracts to support that the costs paid for the contract modifications totaling \$108,766 (\$230,596 less the ineligible use of funds from recommendation 1A) were reasonable. Any amounts that cannot be shown to be reasonable should be repaid to the U.S. Treasury from non-Federal funds.	108,766

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1004	8/1/2013	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its program \$136,012 (\$78,727 in housing assistance payments + \$57,285 in associated administrative fees) from non-Federal funds for the overpayment of housing assistance due to inappropriate calculations of housing assistance payments.	95,017
2013-AT-1006	7/23/2013	001-D	Submit all supporting documentation showing the eligibility and propriety of \$89,331 in unaccounted for program income and recaptured funds or reimburse the HOME program from non-Federal funds.	89,331
2013-NY-1006	5/13/2013	001-B	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to reimburse from non-Federal funds \$78,530 for ineligible home-buyer rehabilitation and demolition costs charged to the HOME program.	78,530
2013-CH-1004	8/1/2013	001-H	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse the appropriate households \$65,874 from non-Federal funds for the rent amounts paid in excess of 40 percent of their adjusted monthly income for units that were not affordable.	65,874
2013-FW-1805	9/26/2013	001-B	Repay \$65,360 paid from Recovery Act funds to the executive director's and another Authority employee's family members to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	65,360
2013-CH-1003	7/15/2013	001-F	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to deobligate the \$57,410 in capital funds cited in this finding and ensure that the Authority uses the funds for eligible purposes.	57,410
2013-FW-1805	9/26/2013	001-D	Support or repay \$42,150 in unsupported additional compensation paid to Authority staff. The funds should be repaid to the Authority's public housing program. However, if the Authority made any of the expenditures from its 2008 capital fund grant, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD. Any repayments must be from non-Federal funds.	42,150
2013-FW-1805	9/26/2013	001-C	Support or repay \$31,513 in unsupported equipment and supplies costs. The funds should be repaid to the Authority's public housing program. However, if the Authority made any of the expenditures from its 2008 capital fund grant, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD. Any repayments must be from non-Federal funds.	31,513

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-NY-1006	5/13/2013	001-C	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to terminate the contract between the County and the Village of Freeport to rehabilitate and construct single-family public housing units to be sold to low-income residents. The remaining contract balance of \$31,470 should be put to better use by reprogramming it for other eligible purposes.	31,470
2013-CH-1005	8/30/2013	001-B	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its program \$30,524 from non-Federal funds (\$26,299 for program housing assistance plus \$4,225 in associated administrative fees) for the 25 units that materially failed to meet HUD's housing quality standards.	30,524
2013-CH-1004	8/1/2013	001-E	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to pursue collection from the applicable households or reimburse its program \$27,987 from non-Federal funds for the overpayment of housing assistance due to unreported income.	26,760
2014-FW-1801	11/8/2013	001-F	Support or repay to HUD \$437,710 in capital funds spent for any amounts that it cannot support for contracts that did not have procurement records, contracts, cost or price analyses, or independent cost estimates. Should the Authority provide sufficient procurement documentation, require the Authority to provide invoice documentation to support \$21,686 paid to James Decker Builders, \$1,049 paid to Pan American Engineers, and \$49,695 paid to KDC Construction Company, or repay HUD any amounts that it cannot support. Any repayments must be from non-Federal funds.	21,400
2013-CH-1003	7/15/2013	001-C	We recommend that the Director of HUD's Cleveland Office of Public Housing require the Authority to reimburse its operating reserve fund \$15,754 from non-Federal funds for the ineligible deposit of funds in a non-interest-bearing account.	15,754
2013-LA-1003	3/14/2013	001-C	Repay \$14,250 in ineligible expenses to the trust fund from non-Federal funds.	14,250
2014-FW-1801	11/8/2013	001-G	Support or repay \$124,009 to its operating funds any amounts that it cannot support for contracts that did not have procurement records, contracts, cost or price analyses, or independent cost estimates. Should the Authority provide sufficient procurement documentation, require the Authority to provide invoice documentation to support \$225 paid to Van's Plumbing Repairs & Construction and \$30 paid to Mike Estes, PC, or repay to its operating fund any amount it cannot support, as questioned under recommendation 1A. Any repayments must be from non-Federal funds.	13,452

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1011	9/30/2013	002-C	We recommend that the Director of HUD's Detroit Office of Multifamily Housing Programs require the Authority to reimburse the U.S. Treasury \$12,830 from non-Federal funds for the lost interest.	12,830
2013-CH-1009	9/27/2013	002-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide documentation or reimburse HUD \$12,165 for transmission to the U.S. Treasury for the materials and supplies for its force account labor unit renovations due to missing or inadequate purchase orders, invoices, receipts, or inventory records cited in this finding.	12,165
2013-AT-1007	9/13/2013	001-C	Require the owner of Lighthouse Inn to reimburse the 22 tenants for ineligible fees collected totaling \$10,950, from non-project funds.	10,950
2013-CH-1009	9/27/2013	002-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide documentation or reimburse HUD \$8,554 from the appropriate fund for transmission to the U.S. Treasury for its force account labor employees due to missing labor logs or labor logs that indicated work on projects other than the Recovery Act formula grant work.	8,554
2014-FW-1801	11/8/2013	001-E	Support that it properly used \$7,796 in cash from salvaged appliances and equipment or repay the money from non-Federal sources to its low-rent program.	7,796
2014-AT-1004	12/30/2013	001-A	Require the State to provide supporting documentation for the \$7,200 in appraisal fees or reimburse the Program from non-Federal funds.	7,200
2014-CH-1001	11/15/2013	001-E	We also recommend that HUD's Associate General Counsel for Program Enforcement pursue the appropriate administrative actions against the contractor's vice president and architectural firm's architect for inappropriately certifying that the contractor had completed its housing rehabilitation work on the project.	7,000
2013-AT-1008	9/30/2013	001-D	Determine whether \$11,728 drawn down for canceled activities was for supported and eligible expenditures.	6,688
2013-LA-1008	8/20/2013	001-D	Support or repay the FHA insurance fund \$5,450 for the loss mitigation claims paid as of April 30, 2013, on seven loans that contained an unallowable gift.	5,450

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1004	8/1/2013	001-G	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to support, pursue collection from the applicable landlords, or reimburse its program \$10,243 from non-Federal funds for the overpayment of housing assistance due to discrepancies in the housing assistance payments register.	3,156
2014-FW-1801	11/8/2013	001-A	Support or repay \$129,840, which includes \$15,156 to its operating fund, \$2,237 to HUD for its transmission to the U.S. Treasury, and \$112,447 to its Capital Fund program, in unsupported disbursements. Repayment must be from non-Federal funds.	2,818
2014-FW-1801	11/8/2013	001-C	Repay its operating fund \$2,733 for funds paid to the previous executive director's wife when she was not an employee. Repayment must be from non-Federal funds.	2,733
2014-FW-1801	11/8/2013	001-B	Support or repay to its operating fund \$33,081 in disbursements to employees for bonuses that were improperly awarded, duplicated pay periods, and unidentified purposes under the applicable years. Repayment must be from non-Federal funds.	2,175
2013-NY-1006	5/13/2013	001-D	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to provide documentation to justify the \$1,264 in unsupported project delivery costs. Any unsupported costs determined to be ineligible should be reimbursed from non-Federal funds.	1,264
2013-LA-1008	8/20/2013	002-C	Pay down the principal balance by \$1,101 for the one over-insured loan as a result of an excessive seller contribution.	1,101
2013-CH-1009	9/27/2013	002-E	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to provide sufficient documentation to support that the appliance was installed in a unit renovated under the Recovery Act formula grant or reimburse HUD \$429 from its capital funds for transmission to the U.S. Treasury.	429
2013-BO-0001	2/12/2013	001-A	Develop and implement comprehensive procedures to assess the effectiveness and completeness of monitoring efforts using metric or query data in the GMP database as detailed in this finding.	0
2013-BO-0001	2/12/2013	001-B	Develop and implement procedures to evaluate the field office testing of non-high-risk grantees to ensure the soundness of risk assessments and obtain early warning of potential deficiencies as provided for in HUD CPD Notice 12-02.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-BO-0001	2/12/2013	002-A	Develop and implement a quality control system to validate HOME program data recorded in the Integrated Disbursement and Information System by using field office monitoring data in the GMP database or some other auditable method, such as statistical sampling and testing of key program data.	0
2013-BO-0001	2/12/2013	002-B	Develop and implement formal procedures to continually assess the effectiveness and completeness of field office data monitoring efforts using GMP monitoring data to include (1) verifying that HOME data are tested, (2) analyzing results to determine whether program data as a whole are reliable and to identify systemic data issues or issues that should be addressed, and (3) verifying that findings are corrected in a timely manner and monitoring is complete.	0
2013-LA-1003	3/14/2013	001-D	Replace GMP Development Group as Bay Vista's management agent with a non-identity-of-interest agent.	0
2013-LA-1003	3/14/2013	001-E	Implement proper policies, procedures, and controls to restrict the use of trust funds to only allowable non-operating-type expenses and ensure that the trust funds are not commingled with Bay Vista's and its properties' operating funds.	0
2013-HA-0001	4/16/2013	002-C	Work with the Office of the Chief Information Officer to improve the deposit module's reporting capabilities so that Labor Relations staff is able to report and analyze the deposit account transactions and taxes or replace the system.	0
2013-NY-1006	5/13/2013	002-A	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to document their application review committee membership and provide evidence of the committee meetings and their evaluation and rating of subrecipients to fully support their funding recommendations.	0
2013-NY-1006	5/13/2013	002-D	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to develop controls to ensure that the County's recently established debarment verification procedures are implemented for all future procurement activity.	0
2013-NY-1006	5/13/2013	003-C	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct County officials to develop controls that will ensure that the County's decentralized record-keeping system is centralized for ready access to HOME documents.	0
2013-KC-0002	6/26/2013	001-D	Resolve issues with the Office of Community Planning and Development and complete the process to publish final regulations for 24 CFR Part 135.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-PH-1804	7/22/2013	001-C	Require the owner to calculate and support the amount of funds required to be on deposit in the tenant security deposit account and deposit funds into the account, if needed, so that the balance in the account is equal to or exceeds the amount of funds required to be in the account.	0
2013-PH-1804	7/22/2013	001-D	Declare the project in default of its regulatory agreement and apply remedies available under the regulatory agreement up to and including foreclosure.	0
2013-LA-1008	8/20/2013	001-A	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies (31 U.S.C. 3801-3812, 3729, or both), civil money penalties (24 CFR (Code of Federal Regulations) 30.35), or both against The Lending Company, its principals, or both for incorrectly certifying to the integrity of the data, the mortgage eligibility for FHA mortgage insurance, or that due diligence was exercised during the origination of 732 loans that resulted in actual losses of \$284,412 on 7 loans and potential losses of \$55.4 million on 725 loans for a total loss of \$55.7 million, which could result in affirmative civil enforcement action of approximately \$116.9 million. Double damages for actual loss amounts related to 7 loans and potential losses to 725 loans (\$284,412 + \$55,439,896) plus a fine of \$7,500 each for the 725 loans with unallowable gifts $((\$55,724,308 \times 2) + (\$7,500 \times 732) = \$116,938,616)$.	0
2013-LA-1008	8/20/2013	002-A	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies (31 U.S.C. 3801-3812, 3729, or both), civil money penalties (24 CFR 30.35), or both against The Lending Company, its principals, or both for incorrectly certifying to the integrity of the data or that due diligence was exercised during the origination of five loans that resulted in actual losses of \$421,630, which could result in affirmative civil enforcement action of approximately \$880,760. Double damages for actual loss amounts related to five loans (\$421,630) plus a fine of \$7,500 each for the five loans with material underwriting deficiencies $((\$421,630 \times 2) + (\$7,500 \times 5) = \$880,760)$.	0
2013-LA-1008	8/20/2013	003-A	Fully implement its quality control plan and provide HUD with periodic reports for 12 months to ensure that its quality control reviews, to include early payment defaults, are conducted in accordance with HUD requirements.	0
2013-LA-1008	8/20/2013	003-B	Provide training to ensure that its quality control staff is aware of HUD's quality control program requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-DE-1003	9/10/2013	001-A	Require the owner to complete and submit a current version of the required certification to HUD for approval. If the owner does not submit the required certification for HUD approval, consider seeking administrative sanctions.	0
2013-DE-1003	9/10/2013	002-A	Require the owner to establish and implement comprehensive financial policies and procedures including the proper maintenance of the books of account.	0
2013-DE-1003	9/10/2013	002-B	Provide the necessary technical assistance and confirm that the procedures have been implemented.	0
2013-KC-0003	9/10/2013	001-C	Develop and implement additional system error checks to identify potential reporting issues.	0
2013-LA-1009	9/13/2013	001-B	Develop and implement written policies and procedures for its HOME program.	0
2013-KC-0004	9/18/2013	001-B	Enhance data collection to begin collecting information on whether each coborrower will occupy the subject property as well as the addresses and phone numbers of each coborrower.	0
2013-LA-1010	9/20/2013	001-D	Implement adequate written policies and procedures for its salary and administrative allocations to meet applicable HUD rules and requirements.	0
2013-LA-1010	9/20/2013	001-E	Provide adequate training to CDBG employees so that the employees have a better understanding and knowledge of administering the CDBG program in accordance with HUD rules and requirements.	0
2013-NY-1010	9/26/2013	001-E	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to develop a comprehensive overall CDBG policies and procedures manual to ensure that City officials adequately administer the City's CDBG program in accordance with HUD regulations. Specifically, the City should ensure that program income is accurately accounted for and reported to HUD in a timely manner.	0
2013-NY-1010	9/26/2013	002-B	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to develop procedures to ensure that funded activities comply with program objectives and that the activities are sufficiently monitored.	0
2013-DE-1005	9/30/2013	001-E	Require the Authority to submit financial statements that show how its disposition funds were expended by item and dollar amount.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FO-0001	12/6/2013	001-A	Obtain a corrective action plan from BAC with critical milestones to document how all information is to be provided, supported, and reconciled to the appropriate underlying information system.	0
2014-FO-0001	12/6/2013	001-B	Review the projected workload requirements with BAC, evaluate the remaining impact of ongoing delays in recording servicing activity, and document the anticipated effort on future financial reporting.	0
2014-FO-0001	12/6/2013	001-C	Continue efforts to confirm the insured status of loans not yet matched with data from the insuring agencies.	0
2014-FO-0003	12/16/2013	001-A	Develop and implement a detailed remediation action plan to ensure that grant management systems eliminate the FIFO methodology in its entirety. The plan should (1) explain how the budget fiscal year-TAFS for each accounting transaction (project and activity setup, commitment, disbursement, etc.) will be recorded, remain constant, and be maintained, (2) reference Federal system requirements and criteria, and (3) include resources, specific remedies, and intermediate target dates necessary to bring the financial management system into substantial compliance.	0
2014-FO-0003	12/16/2013	001-B	Establish controls within the system, which provide an audit trail of the use of the funds by the budget fiscal year-TAFS.	0
2014-FO-0003	12/16/2013	001-C	Provide oversight of CPD's system implementation or modification to ensure that Federal financial management accounting standards are embedded into the system so that the information transferred from grant management systems to HUD's core financial systems comply with these standards, are recorded in HUD's consolidated financial statements in accordance with Federal GAAP, and ensure that compliant administrative control of funds for its formula grant programs is established.	0
2014-FO-0003	12/16/2013	002-C	Implement a cost-effective method for automating the cash management process to include an electronic interface of transactions to the standard general ledger.	0
2014-FO-0003	12/16/2013	002-E	Review the cash management process to identify all financial events to be recognized in accordance with GAAP. Establish procedures to account for the cash management activity in a timely manner in compliance with GAAP.	0
2014-FO-0003	12/16/2013	002-G	Ensure that PIH's automation of its cash management process complies with Federal financial management requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FO-0003	12/16/2013	003-A	Design and Implement a loan guarantee system that complies with the Guaranteed Loan System Requirements. Ensure that the implemented loan guarantee system should be integrated with HUD's financial management systems and be included in its financial management system plans.	0
2014-FO-0003	12/16/2013	004-G	Establish an appropriate accounting and financial reporting governance structure with OCFO with the appropriate level of accounting.	0
2014-FO-0003	12/16/2013	006-C	Enforce already existing internal control procedures to ensure proper supervision over accounting for Section 8 FAF receivables.	0
2014-FO-0003	12/16/2013	006-D	Perform a thorough analysis of outstanding FAF receivables and fiscal year 2013 collections to ensure that the receivables accurately represent the amounts owed to HUD, including but not limited to positive confirmations of outstanding receivable balances with the trustees.	0
2014-FO-0003	12/16/2013	008-B	Complete the closeout of any remaining CDBG-R and HPRP grants and forward all grant closeout agreement certifications to OCFO for recapture.	0
2014-FO-0003	12/16/2013	008-C	Deobligate \$14,425,629 tied to 238 program obligations marked for deobligation during the departmentwide unliquidated obligations review. Additionally, OCFO should review the 93 obligations with remaining balances totaling \$316,935 and close out and deobligate amounts tied to obligations that are no longer valid, either based on the criteria defining the availability of appropriations at 31 U.S.C. 1301 or the criteria for recording obligations at 31 U.S.C. 1501.	0
2014-FO-0003	12/16/2013	008-M	Design and implement a policy to ensure that reconciliations between the subsidiary ledgers (supporting records) and the obligation balances in the general ledger (controlling accounts) are periodically performed for all HUD appropriations. The policy should also address the follow-up and clearance of identified differences and the responsibilities for the preparers and reviewers.	0
2014-FO-0003	12/16/2013	015-A	Make changes to IDIS Online, which will require grantees to specifically identify the grant allocation year to which the commitment should be assigned and include the commitment dates. The system should also allow HUD to ensure that commitments made during overlapping allocations and periods are counted toward only 1 year's compliance requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FO-0003	12/16/2013	015-B	Stop using the cumulative method and the deadline compliance report for determining compliance with the 24-month commitment requirement in the HOME Investment Partnership Act and use only the commitments made within the 24-month period to determine compliance.	0
2014-FO-0003	12/16/2013	015-C	In accordance, with the GAO legal decision and opinion, take steps to identify and recapture funds that remain uncommitted after the statutory commitment deadline and reallocate such funds in accordance with the Act.	0
2014-FO-0003	12/16/2013	015-D	Recapture funds from allocations during the 24-month overlapping period only for grantees that do not comply with the 24-month commitment requirement.	0
2014-AT-1003	12/30/2013	001-C	Adjust program participants' lien amounts for items not completed or corrected in recommendations 1A and 1B.	0
2014-AT-1003	12/30/2013	001-D	Review the remaining 88 HARP contracts that were not part of our sample to ensure that the City paid contractors for contracted repairs according to HUD and City regulations. For any contract with ineligible or unsupported costs, the City should include the contract amounts in recommendation 1A or 1B for reimbursement.	0
2014-AT-1003	12/30/2013	001-F	Refrain from awarding any future HARP contracts until it has adequate personnel to monitor rehabilitation work and ensure that federal funds are properly expended.	0
2014-AT-1003	12/30/2013	001-G	Reinspect the homes to ensure that identified deficiencies have been properly corrected.	0
2013-CH-1010	9/30/2013	001-C	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to review and provide the results to HUD for the remaining 98 Recovery Act Block Grant-funded roof and other exterior repair project files that were not part of our sample to ensure that the households were income eligible and that it maintained adequate and sufficient documentation to support that households were income eligible. For any household determined to be ineligible or if the City's files lack documentation to support a household's eligibility, the related amount will be added to 1A or 1B as appropriate.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1010	9/30/2013	002-E	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to review and provide the results to HUD for the remaining 98 Recovery Act Block Grant-funded roof and other exterior repair project files that were not part of our sample to ensure that the City maintained adequate support to show whether the services were provided at a reasonable cost. For any project for which a price quote was not obtained from at least three contractors and the contract cost exceeded the City's independent estimate, the project and the overage amount will be added to recommendation 2A.	0
2015-FO-0001	11/14/2014	001-F	Initiate the billing process for the claims paid, plus incentive, where the lender has not provided the original of the note and security instrument within the prescribed deadlines for the \$1.5 billion.	1,486,544,478
2015-NY-1001	11/24/2014	001-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct City officials to provide documentation to justify the \$183 million in unsupported salary and fringe benefits and associated expenses charged to the CDBG-DR program. If documentation provided does not support the costs, this amount should be repaid from non-Federal funds.	183,000,000
2014-LA-0004	6/30/2014	001-B	HUD should remove the provision that allows public housing authorities to charge asset management fees, which would ensure that at least \$81.6 million in operating funds could be put to better use in meeting HUD program objectives.	81,613,671
2014-FW-0001	2/7/2014	001-A	The Boston Housing Authority and the City of Boston to provide support that they complied with 24 CFR Part 58 requirements for the Authority's Recovery Act grant or require the housing agency to repay \$33,329,733 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	33,329,733
2014-LA-0005	8/8/2014	001-A	Initiate the billing process, including determining lender status, for the 237 loans that were part of the ACD program for which the lenders were not billed. HUD incurred losses of nearly \$22.4 million for these loans.	21,698,472
2014-FW-0001	2/7/2014	001-B	The Boston Housing Authority and the City of Boston to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2011 Capital Fund grant or require the housing agency to repay \$21,478,604 to HUD. Repayment must be from non-Federal funds.	21,478,604

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FW-0005	9/24/2014	001-E	The Detroit Housing Commission and the City of Detroit to provide support that they complied with 24 CFR Part 58 requirements for the Commission's Recovery Act grant or require the Commission to repay \$17,275,908 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	17,275,908
2014-FW-0001	2/7/2014	001-C	The Boston Housing Authority and the City of Boston to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2012 Capital Fund grant or require the housing agency to reimburse \$17,058,105 to the Authority's 2012 Capital Fund grant from non-Federal funds.	17,058,105
2015-FO-0002	12/8/2014	006-J	Deobligate all obligations marked for deobligation during the departmentwide open obligations review, including as much as \$3,561,042 in 64 administrative obligations marked for deobligation as of September 29, 2014. Additionally, review the 171 obligations with remaining balances totaling \$19,730,791 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	13,188,250
2014-LA-0005	8/8/2014	001-C	Initiate the billing process, including determining lender status, for the 217 loans that went into default before the indemnification agreement expired for which the lenders were not billed. HUD incurred losses of nearly \$12.5 million for these loans.	0
2014-AT-1801	3/20/2014	001-B	Provide all supporting documentation associated with the \$10,838,880 (Total disbursements of \$10,876,095 were adjusted to consider \$37,215 questioned in State CDBG, Section 108, and program income proceeds disbursed for the development of the sports complex, if HUD determines the plan to be feasible). HUD must determine the eligibility, reasonableness, and allocability of the funds disbursed. OCMA must reimburse its State CDBG program from non-Federal funds any amount determined ineligible.	10,838,880
2014-KC-0002	7/2/2014	001-B	Update selection rules for CAIVRS to provide for complete reporting of all ineligible borrowers to put \$9.5 million to better use.	9,501,619
2014-FW-0005	9/24/2014	001-F	The Detroit Housing Commission and the City of Detroit to provide support that they complied with 24 CFR Part 58 requirements for the Commission's 2011 Capital Fund grant or require the Commission to repay \$7,756,710 to HUD from non-Federal funds.	7,756,710

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-AT-1001	12/5/2014	001-B	Submit a plan for how it will proceed with respect to the Municipality of Dorado hotel project, including a schedule that HUD can track to ensure its completion. HUD must reevaluate the feasibility of the activity and determine the eligibility of the \$7,369,000 already invested. If HUD determines that the activity has been canceled or is not feasible, Municipal Affairs must mitigate activity losses by committing any unused loan proceeds for future loan repayments.	7,369,000
2014-FW-0005	9/24/2014	001-G	The Detroit Housing Commission and the City of Detroit to provide support that they complied with 24 CFR Part 58 requirements for the Commission's 2012 Capital Fund grant or require the Commission to reimburse \$7,275,028 to its 2012 Capital Fund grant from non-Federal funds.	7,275,028
2014-AT-1007	8/8/2014	001-A	Reevaluate the feasibility of the activities and determine the eligibility of the \$7,136,298 disbursed for the three projects with signs of slow progress. The Municipality must reimburse its HOME program from non-Federal funds if HUD determines the activities to have been terminated and reprogram and put to better use any unexpended funds associated with the terminated activities.	7,136,298
2015-AT-1001	12/5/2014	001-A	Submit a plan for how it will proceed with respect to the Municipality of San Lorenzo activity center project, including a schedule that HUD can track to ensure its completion. HUD must reevaluate the feasibility of the activity and determine the eligibility of the \$7,010,276 already invested. If HUD determines that the activity has been canceled or is not feasible, Municipal Affairs must mitigate activity losses by committing any unused loan proceeds for future loan repayments.	7,010,276
2014-NY-0003	9/4/2014	001-A	We recommend that the Director of the Public Housing Financial Management Division recapture the \$6,206,924 in operating subsidies that was erroneously awarded to seven PHAs.	6,206,924
2015-AT-1001	12/5/2014	001-C	Submit a plan for how it will proceed with respect to the Municipality of Camuy hotel project, including a schedule that HUD can track to ensure its completion. HUD must reevaluate the feasibility of the activity and determine the eligibility of the \$5,474,376 already invested. If HUD determines that the activity has been canceled or is not feasible, Municipal Affairs must mitigate activity losses by committing any unused loan proceeds for future loan repayments.	5,474,376
2014-FW-0001	2/7/2014	001-G	The New Bedford Housing Authority to repay \$4,860,197 in Recovery Act grant funds to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	4,860,197

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FW-0002	5/12/2014	001-E	The Kansas City, MO, Housing Authority and the City of Kansas City, MO, to provide support that they complied with 24 CFR Part 58 requirements for the Authority's Recovery Act grant or require the housing agency to repay \$4,517,915 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	4,517,915
2014-PH-1008	8/29/2014	001-C	Determine whether the documentation the State provided is adequate to support \$3,487,461 disbursed for wages and salaries charged to the program by the contractors' employees and if not, direct the State to repay HUD from non-Federal funds for any amount that it cannot support.	3,487,461
2015-FO-0002	12/8/2014	006-F	Deobligate the 76 expired or inactive Sections 202 and 811 and project-based Section 8 projects totaling \$3,458,166.	3,458,166
2014-FW-0002	5/12/2014	001-B	The Kansas City, KS, Housing Authority and the Unified Government of Wyandotte County-Kansas City, KS, to provide support that they complied with 24 CFR Part 58 requirements for the Authority's Recovery Act grant or require the housing agency to repay \$3,438,953 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	3,438,953
2014-FW-0001	2/7/2014	001-H	The New Bedford Housing Authority and the City of New Bedford to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2011 Capital Fund grant or require the housing agency to repay \$3,154,021 to HUD. Repayment must be from non-Federal funds.	3,154,021
2014-FW-0001	2/7/2014	001-J	The New Bedford Housing Authority and the City of New Bedford to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2012 Capital Fund grant or require the housing agency to reimburse \$2,966,280 to the Authority's 2012 Capital Fund grant from non-Federal funds.	2,966,280
2014-FW-0002	5/12/2014	001-F	The Kansas City, MO, Housing Authority and the City of Kansas City, MO, to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2011 Capital Fund grant or require the housing agency to repay \$2,920,093 to HUD from non-Federal funds.	2,920,093
2014-FW-0002	5/12/2014	001-C	The Kansas City, KS, Housing Authority and the Unified Government of Wyandotte County-Kansas City, KS, to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2011 Capital Fund grant or require the housing agency to repay \$2,827,316 to HUD from non-Federal funds.	2,827,316

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FW-0002	5/12/2014	001-G	The Kansas City, MO, Housing Authority and the City of Kansas City, MO, to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2012 Capital Fund grant or require the housing agency to reimburse \$2,710,079 to the Authority's 2012 Capital Fund grant from non-Federal funds.	2,710,079
2014-AT-0001	3/14/2014	001-E	Reassess the \$2,621,624 unjustified write off for FAF 210 and reinstate and pursue collection of all or any portion of the amount determined to have been written off without proper justification.	2,621,624
2014-FW-0002	5/12/2014	001-D	The Kansas City, KS, Housing Authority and the Unified Government of Wyandotte County-Kansas City, KS, to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2012 Capital Fund grant or require the housing agency to reimburse \$2,555,880 to the Authority's 2012 Capital Fund grant from non-Federal funds.	2,555,880
2014-LA-0005	8/8/2014	001-B	Initiate the billing process, including determining lender status, for the 32 loans that were part of the CWCOT program for which the lenders were not billed. HUD incurred losses of approximately \$2.2 million for these loans.	0
2015-FW-1801	10/2/2014	001-C	Require the Authority to take action to reclaim its properties valued at \$2,032,266 to improve its financial position, decrease its reliance on HUD program funding, and address its comingling issues.	2,032,266
2015-FO-0002	12/8/2014	006-B	Deobligate \$174,168 in 5 administrative obligations and \$9,920,926 in 308 program obligations marked for deobligation during the department-wide open obligations review. Additionally, review the 72 obligations with remaining balances totaling \$313,419 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	1,956,447
2014-NY-1008	7/25/2014	001-A	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct Palladia officials to provide documentation to justify that the \$1,615,057 in unsupported costs is associated with eligible program activities. Any unsupported costs determined to be ineligible should be reimbursed from non-Federal funds.	1,615,057
2014-NY-0003	9/4/2014	001-B	We recommend that the Director of the Public Housing Financial Management Division reimburse the 5 PHAs that were underfunded \$1,516,882 in ARF funding.	1,516,882

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-CH-0001	9/30/2014	001-B	We recommend that HUD's Deputy Assistant Secretary for Single Family Housing to require the lenders to indemnify HUD for any future losses on the 16 loans ²⁴ with an estimated loss of \$1,487,921.25 based on the loss severity rate of 54 percent of the total unpaid principal balance of \$2,755,409 as of June 1, 2014.	1,487,921
2014-AT-1010	9/11/2014	001-G	Recalculate the commitment requirement as a result of the County's improperly committing \$1,478,250. The County improperly committed \$1,478,250, composed of activity 5109 and project 61 with commitments of \$500,000 and \$978,250, respectively, in HOME funds for project 61 and activity 5109 and determine the cumulative effect on the County's commitment requirement.	1,478,250
2015-NY-1002	12/1/2014	002-C	We recommend that the Director of HUD's New York Office of Public and Indian Housing require Authority officials to provide supporting documents for the proper use of \$1,250,417 in sale proceeds from the scattered-site properties. Any amounts not supported or found to be improperly used should be repaid to the homeownership program from non-Federal funds.	1,250,417
2014-AT-1005	5/29/2014	001-A	Reimburse \$1,183,642 in HOME and CHDO funds to the HOME Investment Trust Fund treasury account from non-Federal funds.	1,183,642
2014-FW-0001	2/7/2014	001-D	The Nashua Housing Authority and the City of Nashua to provide support that they complied with 24 CFR Part 58 requirements for the Authority's Recovery Act grant or require the housing agency to repay \$1,169,494 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	1,169,494
2014-NY-1001	1/15/2014	001-A	We recommend that the Director of the HUD Newark Office of Public and Indian Housing instruct Authority officials to provide documentation to support that the 252 units for which the Authority's records did not document that an annual inspection was performed during program year 2012 comply with housing quality standards. If such documentation cannot be provided, the \$3.89 million (consisting of \$3,768,868 in housing assistance payments and \$122,977 of the Authority's administrative fee paid related to those units) should be reimbursed to the program from non-federal funds.	1,139,664
2015-AT-1001	12/5/2014	002-A	Recover from the borrowers and reimburse \$1,080,242 to the applicable loan guarantee account from non-Federal funds for ineligible disbursements that were not related to the approved projects and used to finance local government operations.	1,080,242

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-NY-1009	9/18/2014	001-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to repay the \$1,060,529 not expended within the required timeframe so that these funds can be recaptured in accordance with Federal regulations.	1,060,529
2014-FW-0002	5/12/2014	001-A	The Kansas City, KS, Housing Authority to repay \$1,039,797 in Recovery Act grant funds to HUD for its transmission to the U.S. Treasury for contract obligations that occurred before the environmental review was completed by the responsible entity. Repayment must be from non-Federal funds.	1,039,797
2014-AT-1005	5/29/2014	001-B	Provide documentation to support the \$1,031,000 in CDBG loans or reimburse the CDBG program from non-Federal funds.	1,031,000
2014-FW-0001	2/7/2014	001-E	The Nashua Housing Authority and the City of Nashua to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2011 Capital Fund grant or require the housing agency to repay \$874,261 to HUD. Repayment must be from non-Federal funds.	874,261
2014-CH-1003	4/30/2014	001-D	We recommend that the Acting Director of HUD's Detroit Office of Public Housing require the Commission to support the use of the sole-sourcing procurement method for its Recovery Act-funded competitive grant or reimburse HUD \$785,159 from non-Federal funds for transmission to the U.S. Treasury.	785,159
2014-AT-1005	5/29/2014	002-A	Reimburse \$772,000 in HOME funds used to pay ineligible expenses to the HOME Investment Trust Fund treasury account from non-Federal funds.	772,000
2014-CH-0001	9/30/2014	001-A	We recommend that HUD's Deputy Assistant Secretary for Single Family Housing to require the lenders to support that the loans cited for post-endorsement technical reviews by HUD were eligible for FHA insurance or require the lenders to indemnify HUD for any future losses on the 12 loans ²² with an estimated loss of \$1, 047, 314.23 based on the loss severity rate of 54 percent of the total unpaid principal balance of \$1,939,471 as of June 1, 2014.	759,042
2014-NY-1005	6/10/2014	001-B	We recommend that the Director of the Newark, NJ, Office of Community Planning and Development instruct County officials to provide documentation supporting that \$745,606, drawn down for activities without evidence of executed agreements, was committed in a timely manner as required. If supporting documentation cannot be provided, the amount should be recaptured in accordance with regulations at 24 CFR 92.500(d)(1)(B).	745,606

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FW-0001	2/7/2014	001-F	The Nashua Housing Authority and the City of Nashua to provide support that they complied with 24 CFR Part 58 requirements for the Authority's 2012 Capital Fund grant or require the housing agency to reimburse \$728,596 to the Authority's 2012 Capital Fund grant from non-Federal funds.	728,596
2014-AT-1007	8/8/2014	002-A	Submit all supporting documentation showing the eligibility and propriety of \$726,738 in unaccounted for drawdowns from its treasury account or reimburse the HOME program from non-Federal funds.	726,738
2014-AT-1007	8/8/2014	001-B	Require the Municipality to submit all supporting documentation showing that the 35 home buyers met the principal residency requirement for the duration of the period of affordability or reimburse the HOME program from non-Federal funds the \$675,194 in HOME assistance provided.	675,194
2014-CH-1006	8/14/2014	001-A	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to establish and maintain a separate net restricted assets account and reimburse the net restricted assets fund from non-Federal funds \$640,283 or the current amount owed and provide the results to HUD for verification.	640,283
2014-NY-1004	5/20/2014	001-G	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to provide documentation to support the reasonableness and eligibility of the administrative program delivery costs charged to the CDBG program, including \$597,048 in program delivery costs that could have been allocated to the State program, and repay the CDBG program from non-Federal funds any amounts determined to be unreasonable or ineligible.	597,048
2014-NY-1008	7/25/2014	001-E	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct Palladia officials to provide source documentation to substantiate that the \$584,579 in required non-Federal cash matching funds for five of the six program projects reviewed were met.	584,579
2014-FW-1003	7/2/2014	001-C	Support or reimburse its program \$570,834 from non-Federal funds for payments that lacked supporting documentation.	570,834
2014-BO-1002	4/30/2014	002-A	Reimburse the Authority's programs from non-Federal funds for more than \$697,471 in unreasonable salary expenditures.	512,516
2014-NY-1009	9/18/2014	001-A	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to repay the \$464,663 not committed within the required timeframe so that these funds can be recaptured in accordance with Federal regulations.	464,663

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-NY-1009	9/18/2014	002-C	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support compliance with the maximum HOME subsidy limits, the environmental review process, and the use and application of program income for the unsupported housing activity or repay \$459,991 from non-Federal funds to the City's HOME program line of credit.	459,991
2014-FW-0005	9/24/2014	001-J	The Pontiac Housing Commission to repay \$457,861 in 2011 capital funds to HUD for its statutory violation of the requirement that the responsible entity, not the Commission, sign as certifying officer on the request for release of funds and certification. Repayment must be from non-Federal funds.	457,861
2014-LA-1005	8/22/2014	001-B	Require the City to repay HUD, using non-Federal funds, \$449,598 paid to secondary lien holders, developers, and contractors for rehabilitation work not performed.	449,598
2014-BO-1001	1/23/2014	001-A	Repay the Authority's asset management projects from non-Federal funds \$582,562 related to the ineligible cost deficiencies identified in this finding; specifically, charges of \$240,321 for central maintenance employees; \$281,611 for asset management, property management, and bookkeeping fees; \$26,434 for insurance; \$10,000 for auditing; \$20,000 for consulting; and \$4,196 for legal expenses.	413,493
2014-AT-1007	8/8/2014	003-A	Deobligate, reprogram, and put to better use \$387,449 in overstated commitments.	387,449
2014-CH-1006	8/14/2014	002-C	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to implement adequate procedures and controls to ensure that all units meet HUD's housing quality standards and its own requirements to prevent \$373,661 in program funds from being spent on units that do not comply with HUD's requirements over the next year. The procedures and controls should include but not be limited to providing feedback to the inspectors to correct recurring inspection deficiencies, inspectors are properly trained and familiar with HUD's and its own requirements, and inspectors consistently conduct accurate and complete inspections.	373,661
2014-LA-0005	8/8/2014	002-D	Initiate the billing process for the five loans with losses to HUD that were streamline refinanced. HUD incurred losses of \$373,228 for these loans.	0
2015-AT-1001	12/5/2014	002-C	Obtain and submit supporting documentation showing the eligibility and propriety of \$367,840 in disbursements or reimburse the loan guarantee account from non-Federal funds.	367,840

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-AT-1005	5/29/2014	002-B	Seek recovery of the \$323,720 in CDBG funds from the bank with interest from March 14, 2002, to the present. Reimburse \$323,720 in CDBG funds to the CDBG program from non-federal funds and reimburse the interest to the U.S. Treasury.	323,720
2014-FW-0005	9/24/2014	001-I	The Pontiac Housing Commission and the City of Pontiac to provide support that they complied with 24 CFR Part 58 requirements for the Commission's Recovery Act grant or require the Commission to repay \$315,831 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	315,831
2014-PH-1007	7/15/2014	001-A	Reimburse the grantee's program \$312,077 from non-Federal funds for the ineligible disbursements.	312,077
2014-NY-1009	9/18/2014	004-D	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City Officials to record the receipt and use of \$289,858 in program income in IDIS, thus ensuring that \$289,858 in program income is properly accounted for and put to better use.	289,858
2014-AT-0001	3/14/2014	001-B	Require contract administrators that did not apply the back-out requirements to recalculate all FAF projects with Section 8 rent increases that occurred from January 2004 to the present and adjust current and future rents to the amounts supported by the calculations. We estimate annual savings of \$279,639 through the implementation of this recommendation for the projects reviewed.	279,639
2014-FW-0005	9/24/2014	001-H	The Pontiac Housing Commission to repay \$273,774 in Recovery Act grant funds to HUD for its transmission to the U.S. Treasury for contract obligations that occurred before the environmental review was completed by the responsible entity. Repayment must be from non-Federal funds.	273,774
2014-NY-1009	9/18/2014	002-A	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reimburse the City's HOME program line of credit \$250,410 from non-Federal funds for HOME assistance expended on housing units acquired by two ineligible home buyers.	250,410
2014-AT-1010	9/11/2014	001-B	Provide supporting documentation for activity 5134 or reimburse its program \$45,600 from non-Federal funds and put to better use \$204,400 in HOME funds.	250,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1801	10/2/2014	001-D	Require the Authority to determine how much of the \$243,442 in salaries for individuals assigned to work at multiple properties was improperly paid with Federal funds and repay the amounts to the appropriate programs from non-Federal funds. If the Authority is unable to accurately determine the amount due to and due from each program or support that the funds charged to the Federal programs were appropriate, the full \$243,422 should be repaid to HUD.	243,442
2014-CH-1003	4/30/2014	001-C	We recommend that the Acting Director of HUD's Detroit Office of Public Housing require the Commission to support the reasonableness or reimburse HUD \$239,033 from non-Federal funds, for transmission to the U.S. Treasury, for the amount of the Commission's Recovery Act-funded contract that exceeded the independent estimate.	239,033
2014-PH-1007	7/15/2014	001-B	Provide documentation to support its use of \$308,797 in program funds or reimburse the grantee's program from non-Federal funds for any amount that it cannot support.	226,664
2014-LA-1005	8/22/2014	001-A	Require the City to return to HUD, using non-Federal funds, the actual amount of administrative costs charged to the grant related to the three developers or \$223,085 because the City mismanaged its NSP1.	223,085
2014-CH-1002	1/6/2014	001-C	We recommend that the Director of HUD's Detroit Office of Community Planning and Development require the City to use for eligible Program costs, before drawing down additional Program funds, \$203,802 in (1) the remaining fire insurance funds for which it inappropriately drew down Program funds when it had fire insurance funds available (nearly \$132,000) and (2) Program funds drawn down for duplicate demolition costs (nearly \$72,000).	203,802
2014-NY-1004	5/20/2014	001-A	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to submit documentation to justify the unsupported costs of \$200,000 incurred for an economic development loan so that HUD can make an eligibility determination. For any costs determined to be ineligible, HUD should require the City to reimburse the CDBG program from non-Federal funds.	200,000
2015-BO-1001	12/16/2014	001-B	Provide documentation to support that the \$200,000 transferred to the agent's revolving fund account was expended for eligible project costs and if such support cannot be provided, repay the project this amount from non-Federal funds.	200,000
2014-FW-1002	5/27/2014	001-B	Discontinue using its low-rent public housing fund as a general fund to pay costs associated with its business activities until it has established appropriate controls.	178,893

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-AT-1011	9/22/2014	001-C	Develop and implement procedures and controls to ensure compliance with requirements, to include but not be limited to procedures and controls to ensure that (1) housing assistance payments are eligible and supported, (2) appropriate documentation is obtained and maintained, and (3) property managers are adequately trained on the program requirements. By doing so, we estimate an annual savings of \$174,995 in housing assistance payments.	174,995
2014-LA-0005	8/8/2014	001-D	Determine the loss amounts for the three loans (412-4767940, 442-2462614, and 561-8450712) that were part of the ACD program, which OIG was unable to determine the loss.	147,467
2014-FW-1806	8/19/2014	001-E	Support or repay from non-Federal funds \$144,263 to its Operating Fund program for credit card purchases that did not have receipts or other support.	144,263
2015-FO-0002	12/8/2014	006-U	Deobligate \$5,210 in two administrative obligations and \$109,500 in one program obligation marked for deobligation during the department-wide open obligations review. Additionally, review the 17 obligations with remaining balances totaling \$26,711 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	141,421
2014-LA-1005	8/22/2014	001-D	Require the City to repay HUD, using non-Federal funds, \$137,601 for the unreasonable costs identified in the report.	137,601
2014-CH-1009	9/12/2014	001-F	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to support the time spent correctly administering its Family Self-Sufficiency program or reimburse HUD from non-Federal funds the appropriate portion of the \$137,347 in coordinator grant funds received for fiscal years 2012 and 2013 that was incorrectly paid.	137,347
2014-CH-1006	8/14/2014	001-C	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to support that program funds were not used for the \$132,974 (\$68,369 in personal and inappropriate expenditures + \$64,605 in unsupported expenditures) or reimburse its program from non-Federal funds for the unsupported credit card expenditures cited in this finding.	132,974
2014-NY-1009	9/18/2014	001-L	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reconcile the \$118,561 (\$16,192 + 102,369) discrepancy between the City's accounting records and financial information reported in IDIS to ensure that these funds have been put to their intended use.	118,561

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-CH-1006	8/14/2014	003-F	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to support or reimburse its program \$118,079 (\$112,571 in housing assistance payments + \$5,508 in associated administrative fees) from non-Federal funds for the unsupported overpayment of housing assistance cited in this finding.	118,079
2014-FW-1802	3/31/2014	001-B	Require the Authority to support or repay its various program accounts \$109,861 from nonfederal funds for unsupported payroll, other compensation, bonuses, travel, supplies, contractor payments and petty cash disbursements.	103,420
2014-CH-1009	9/12/2014	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Housing Choice Voucher program \$106,924 from non-Federal funds for the overpayment of its Family Self-Sufficiency program graduates' escrow disbursements cited in this finding.	106,924
2014-LA-1005	8/22/2014	001-C	Require the City to repay HUD, using non-Federal funds, \$103,806 for all other ineligible costs identified in the report.	103,806
2014-AT-1005	5/29/2014	002-C	Reimburse \$100,000 in HOME funds to the HOME Investment Trust Fund Treasury account from non-Federal funds.	100,000
2014-CH-1004	7/14/2014	001-F	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to support or reimburse its program \$220,704 (\$70 + \$197,906 in housing assistance payments + \$26 in utility allowances + \$22,702 in associated administrative fees) from non-Federal funds for the unsupported overpayment of housing assistance due to unsupported calculations, missing eligibility documentation, and discrepancies in the housing assistance payments register.	91,226
2014-FW-0005	9/24/2014	001-K	The Pontiac Housing Commission to reimburse \$82,470 to the Commissions' 2012 Capital Fund grant for operation expenditures that occurred before the environmental review was completed by the responsible entity. Repayment must be from non-Federal funds.	82,470
2014-CH-1003	4/30/2014	001-A	We recommend that the Acting Director of HUD's Detroit Office of Public Housing require the Commission to reimburse HUD \$79,975 from non-Federal funds, for transmission to the U.S. Treasury, for the work items that were not allocable to the Recovery Act competitive grant-funded contract.	79,975
2014-AT-0001	3/14/2014	001-F	Reassess the \$72,969 unsupported write-off for FAF 393 and reinstate and pursue collection of all or any portion of the amount determined to have been written off without proper justification.	72,969

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2014-NY-1001	1/15/2014	002-C	We recommend that the Director of the HUD Newark Office of Public and Indian Housing instruct Authority officials to provide adequate documentation of a valid Social Security number for the three tenants without valid Social Security numbers on whose behalf \$116,761 in housing assistance payments was disbursed. Any amount not supported should be repaid from non-Federal funds, and the status of any tenant deemed ineligible should be determined in accordance with the Authority's administrative plan.	70,111
2014-AT-1007	8/8/2014	002-B	Submit all supporting documentation showing the eligibility and propriety of \$68,322 charged to the HOME program for project and administrative costs or reimburse the program from non-Federal funds.	68,322
2014-AT-0001	3/14/2014	001-G	Reassess the \$67,000 unsupported write-off for FAF 184 and reinstate and pursue collection of all or any portion of the amount determined to have been written off without proper justification.	67,000
2014-FW-0005	9/24/2014	001-A	The Dearborn Housing Commission to repay \$63,255 in Recovery Act grant funds to HUD for its transmission to the U.S. Treasury for architect and engineering fees and contract obligations that occurred before the environmental review was completed by the responsible entity. Repayment must be from non-Federal funds.	63,255
2014-AT-1007	8/8/2014	002-C	Reimburse from non-Federal funds \$62,204 in ineligible project costs.	62,204
2015-BO-1001	12/16/2014	001-D	Provide documentation to support that the expenditure of \$57,110 in 2011 was for eligible project salaries and if such support cannot be provided, repay the amount to the project from non-Federal funds.	57,110
2014-AT-1007	8/8/2014	002-D	Remit to its treasury account and put to better use the reimbursed HOME funds totaling \$56,102.	56,102
2014-CH-1009	9/12/2014	001-B	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse its Housing Choice Voucher program \$53,559 for the overfunding of its Family Self-Sufficiency program participants' escrow accounts.	53,559
2014-CF-1805	8/11/2014	001-A	Agree to allow HUD OIG to record the \$57,500 settlement in HUD's Audit Resolution and Corrective Actions Tracking System as an ineligible cost.	52,500

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1801	10/2/2014	001-J	Require the Authority to determine whether the Authority improperly used Federal funds totaling \$50,000 which were used to pay unnecessary severance contract costs. If Federal funds were improperly used, the Authority should repay \$50,000 to its Federal program accounts from non-Federal funds. If the Authority is unable to accurately determine the amount due to and due from each program or support that the funds charged to the Federal program were appropriate, the full \$50,000 should be repaid to HUD.	50,000
2014-CH-1009	9/12/2014	002-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to support its waiver request and the applicable approval from HUD to waive its conflict of interest requirements or reimburse HUD \$47,353 for the housing assistance payments disbursed while the conflicts of interest existed.	47,353
2015-FW-1802	10/31/2014	001-D	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to either support or repay to HUD for its transmission to the U.S. Treasury \$43,300 in unsupported asbestos abatement expenses. Repayment must be from non-Federal funds.	43,300
2015-FW-1801	10/2/2014	001-F	Require the Authority to determine whether the Authority improperly used Federal funds totaling \$40,600 to make lease payments on the parking lot it already owned. If Federal funds were improperly used, the Authority should repay \$40,600 from non-Federal funds to its Federal program accounts. If the Authority is unable to accurately determine the amount due to and due from each program or support that the funds charged to the Federal program were appropriate, the full \$40,600 should be repaid to HUD.	40,600
2014-CH-1004	7/14/2014	001-A	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$39,605 (\$21,546 in housing assistance payments + \$18,059 in associated administrative fees) from non-Federal funds for the overpayment of housing assistance due to inappropriate calculations of housing assistance payments.	39,605
2014-AT-1801	3/20/2014	001-D	Submit supporting documentation showing the eligibility and propriety of \$37,215 drawn from HUD or reimburse the State CDBG program from non-Federal funds.	37,215
2015-FW-1802	10/31/2014	001-B	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to resolve its unpaid payroll taxes and retirement liabilities and ensure that the Authority only uses non-federal or non-HUD funds to pay the unpaid interest or penalties.	36,882

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-CH-1006	8/14/2014	002-B	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse its program \$35,545 from non-Federal funds (\$32,769 for program housing assistance + \$2,776 in associated administrative fees) for the 19 units that materially failed to meet HUD's housing quality standards and its own requirements.	35,545
2014-CH-1004	7/14/2014	002-A	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to reimburse its program \$31,204 from non-Federal funds for the ineligible expenditures cited in this finding.	31,204
2014-CH-1006	8/14/2014	003-K	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to implement procedures and controls to ensure that housing assistance is correctly calculated and repayment agreements are created to recover overpaid housing assistance when unreported income is discovered during the examination process to ensure that \$30,764 (\$27,211 in overpayments + \$3,553 in underpayments) in program funds is appropriately used for future payments.	30,764
2014-CH-1004	7/14/2014	001-G	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to reimburse the appropriate households \$25,767 from non-Federal funds for the rent amounts paid in excess of 40 percent of their adjusted monthly income for units that were not affordable.	25,767
2015-FW-1801	10/2/2014	001-M	Require the Authority to repay \$23,546 to its Section 8 Homeownership Voucher program from non-Federal funds for the \$17,124 in ineligible owner housing assistance payments to the former Section 8 program manager and the \$6,422 in ineligible owner housing assistance payments to the son of director 1.	23,546
2014-CH-1006	8/14/2014	001-E	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to support that program funds used were not used to pay the \$23,353 in employee loans or reimburse its program from non-Federal funds for the unsupported employee loans cited in this finding.	23,353
2014-FW-0001	2/7/2014	001-I	The New Bedford Housing Authority to repay \$22,786 from non-Federal funds to its 2012 Capital Fund grant for salaries and benefits that were released before the responsible entity documented that activities met exemption requirements.	22,786

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1802	10/31/2014	001-C	We recommend that the Director, Office of Public Housing, Fort Worth, TX, Require the Authority to support or repay \$46,097 in unsupported expenditures. The funds should be repaid to the Authority's public housing program. However, if the Authority made any of the expenditures from its 2010 or earlier capital fund grants, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD. Any repayments must be from non-Federal funds.	21,767
2014-CH-1003	4/30/2014	001-B	We recommend that the Acting Director of HUD's Detroit Office of Public Housing require the Commission to reimburse HUD \$20,833 from non-Federal funds, for transmission to the U.S. Treasury, for the Recovery Act-funded work items that were not included in the Commission's annual or 5-year plan.	20,833
2014-CH-1006	8/14/2014	003-A	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse its program \$20,001 (\$12,221 in housing assistance payments + \$7,780 in associated administrative fees) from non-Federal funds for the overpayment of housing assistance due to inappropriate calculations of housing assistance payments.	20,001
2014-NY-1001	1/15/2014	001-C	We recommend that the Director of the HUD Newark Office of Public and Indian Housing instruct Authority officials to reimburse from non-federal funds the \$62,789 in housing assistance disbursed for the nine units that materially failed housing quality standards inspection.	19,407
2014-NY-1004	5/20/2014	001-C	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to repay from non-Federal funds the ineligible costs of \$18,027 that were paid to a subrecipient, which did not benefit the CDBG program.	18,027
2014-FW-1003	7/2/2014	002-B	Reimburse its program \$18,391 from non-Federal funds for the 12 units that materially failed to meet HUD's housing quality standards.	16,391
2014-FW-1003	7/2/2014	001-A	Reimburse its program \$16,350 from non-Federal funds for the overpayment of housing assistance and utility reimbursement payments.	16,350

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-CH-1002	1/6/2014	001-H	We recommend that the Director of HUD's Detroit Office of Community Planning and Development support that the more than \$14,000 in refunded gas cut and cap fees that was inappropriately transferred into its Program account and used for Program costs was an eligible Program use under the Recovery Act or reimburse its Program under the Recovery Act \$14,250 from non-Federal funds and use the funds for eligible Program costs under the Recovery Act.	14,250
2014-CH-1006	8/14/2014	001-F	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse its program \$12,654 from non-Federal funds for the ineligible overdraft, nonsufficient fund checks, and service charges.	12,654
2015-FW-1801	10/2/2014	001-H	Require the Authority to determine whether the Authority improperly used Federal funds totaling \$11,833 which were used to cancel an existing phone system and purchase a new one. If Federal funds were improperly used, the Authority should repay \$11,833 to its Federal program accounts from non-Federal funds. If the Authority is unable to accurately determine the amount due to and due from each program or support that the funds charged to the Federal program were appropriate, the full \$11,833 should be repaid to HUD.	11,833
2014-AT-1011	9/22/2014	001-B	Support or reimburse its project \$218,676 from non-project funds for housing assistance payments that lacked supporting documentation.	11,175
2014-CH-1006	8/14/2014	003-C	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to pursue collection from the applicable households or reimburse its program \$10,369 from non-Federal funds for the overpayment of housing assistance due to unreported income.	10,369
2014-CH-1006	8/14/2014	003-E	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse its program \$9,420 from non-Federal funds for the overpayment of housing assistance due to allowing households a one-bedroom payment standard each for a shared-housing unit.	9,420
2014-CH-1009	9/12/2014	001-E	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to support the escrow account balances for its current program participants totaling \$9,040 or reimburse its Housing Choice Voucher program for the unsupported escrow credits cited in this finding. The actual unsupported escrow balance was \$39,178. However, \$30,138 of that amount was included in recommendation 1B as an ineligible cost, thus reducing the amount in recommendation 1E to \$9,040.	9,040

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FW-1804	8/1/2014	001-J	Support or repay from non-Federal funds \$8,721 in unsupported vacation payments.	8,721
2014-NY-1004	5/20/2014	001-D	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to provide documentation regarding the repayment of the \$7,035 that was paid an architecture firm related to a State grant to ensure that it was properly repaid to the CDBG program from non-Federal funds.	7,035
2014-CH-1004	7/14/2014	001-C	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to pursue collection from the applicable households or reimburse its program \$5,599 from non-Federal funds for the overpayment of housing assistance due to unreported income.	5,599
2014-CH-1006	8/14/2014	003-B	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse the appropriate households \$3,973 from program funds for the underpayment of housing assistance due to inappropriate calculations of housing assistance payments.	3,973
2014-FW-1806	8/19/2014	001-D	Repay \$3,840 from non-Federal funds to its Operating Fund program for amounts paid for ineligible credit card purchases and transactions.	3,840
2014-CH-1002	1/6/2014	001-F	We recommend that the Director of HUD's Detroit Office of Community Planning and Development require the City to support that the more than \$7,000 in fire insurance funds transferred into its Block Grant program account in May 2012 for an address was appropriate or reimburse its Program \$3,833 from non-Federal funds, as appropriate, for the nearly \$4,000 in Program funds that it drew down for the address.	3,833
2014-LA-1006	9/25/2014	001-E	Provide documentation to support the \$3,242 in total development costs identified in this report or reimburse the homeowner.	3,242
2014-CH-1006	8/14/2014	001-D	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse its program \$3,036 from non-Federal funds for the ineligible credit card late fees and finance charges.	3,036
2014-CH-1006	8/14/2014	003-G	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse the appropriate household \$3,006 from non-Federal funds for the rent amount paid in excess of 40 percent of its adjusted monthly income for the unit that was not affordable.	3,006

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-CH-1006	8/14/2014	003-D	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reimburse its program \$2,558 from non-Federal funds for the overpayment of housing assistance due to not capturing income increases reported by the households.	2,558
2014-CH-1004	7/14/2014	001-D	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to pursue collection from the applicable landlords or reimburse its program \$2,095 in housing assistance from non-Federal funds for the overpayment of housing assistance due to discrepancies in the housing assistance payments register.	2,095
2014-FW-1806	8/19/2014	001-F	Support or repay from non-Federal funds \$2,070 to its Capital or Operating Fund program as appropriate for the missing appliances.	2,070
2014-FW-1804	8/1/2014	001-M	Repay from non-Federal funds \$1,724 paid for unnecessary costs paid for mileage.	1,724
2014-FW-1804	8/1/2014	001-N	Support or repay from non-Federal funds \$1,682 paid to its executive director for unsupported costs.	1,682
2014-CH-1004	7/14/2014	001-B	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to reimburse the appropriate households \$5,308 from program funds for the underpayment of housing assistance due to inappropriate calculations.	1,394
2014-CH-1004	7/14/2014	001-E	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to reimburse the appropriate landlords \$1,143 in housing assistance from program funds for the underpayment of housing assistance due to discrepancies in the housing assistance payments register.	1,070
2015-FW-1801	10/2/2014	001-I	Require the Authority to determine whether the Authority improperly used Federal funds totaling \$657 which were used to purchase ineligible meals and other personal items. If Federal funds were improperly used, the Authority should repay \$657 to its Federal program accounts from non-Federal funds. If the Authority is unable to accurately determine the amount due to and due from each program or support that the funds charged to the Federal program were appropriate, the full \$657 should be repaid to HUD.	657
2014-FW-1804	8/1/2014	001-O	Repay from non-Federal funds \$620 paid to the executive director for ineligible costs.	620

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-AT-0001	3/14/2014	001-A	Develop and implement controls and procedures to monitor the application of required rent adjustments to Section 8 FAF projects which should include adding a section to Housing's monitoring review checklist to address the backing out of trustee sweep payments.	0
2014-AT-0001	3/14/2014	001-C	Renew Housing Notices 97-49 and 3-28 and include appropriate example calculations to guide contract administrators and HUD staff on how to calculate annual adjustment factor rents for bond-refunded projects and for use in enforcing the requirements.	0
2014-AT-0001	3/14/2014	001-D	Develop and implement controls to ensure requests made by Housing for adjustments to bond receivables are properly assessed and supported in accordance with provisions in Housing Notice 3-28.	0
2014-AT-0001	3/14/2014	001-H	Develop and implement controls and procedures to monitor the remitting of trust fund balances to ensure that funds due to HUD upon prepayments or normal payoff of bonds are not released to other parties unless conditions established by headquarters are met and documented.	0
2014-AT-1007	8/8/2014	001-C	Recapture any shortfalls generated by the closure and deobligation of funds associated with recommendations 1A to 1B that do not meet statutory requirements for the timely commitment and expenditure of funds pursuant to the National Defense Authorization Act of 1991 and/or Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended.	0
2014-AT-1007	8/8/2014	003-B	Correct any inaccurate information in HUD's information system, including but not limited to the receipt of \$233,137 associated with program income and recaptured funds not reported and inaccurate commitment amounts and dates.	0
2014-AT-1010	9/11/2014	001-A	Establish and implement policies and procedures to ensure that commitments are entered into IDIS after the County has a valid written agreement that has been signed and dated by all parties.	0
2014-AT-1010	9/11/2014	001-D	Provide the revised HOME agreement templates for the various types of awardees, which must include the HOME provisions and date line for signatures. The home buyer assistance agreements template should also include a signature and date line for the County.	0
2014-AT-1010	9/11/2014	001-E	Establish and implement policies and procedures to ensure that amendments are executed on a timely basis.	0
2014-AT-1011	9/22/2014	001-A	Reimburse its project \$216,749 from non-project funds for the ineligible housing assistance payments.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-AT-1011	9/22/2014	001-D	Develop and implement policies to monitor its property managers to ensure adequate administration of the program.	0
2014-AT-1015	9/30/2014	001-A	Refer Prudential Huntoon Paige Associates, LTD to the Mortgagee Review Board for appropriate action for violations that caused a more than \$20 million loss to HUD's FHA insurance fund.	0
2014-AT-1015	9/30/2014	001-B	Take appropriate enforcement actions against the responsible parties and pursue civil remedies under the False Claims Act, if legally sufficient, against responsible parties for incorrectly certifying to the integrity of the data or that due diligence was exercised by the underwriting of the loan that resulted in a loss to HUD totaling \$20,157,329.	0
2014-AT-1015	9/30/2014	001-C	Pursue administrative actions, as appropriate, against the responsible party for the material underwriting deficiencies cited in this report.	0
2014-AT-1801	3/20/2014	001-C	Ensure that the Municipality maintains adequate documentation related to the Vieques sports complex project in accordance with HUD requirements and that these demonstrate the allowability, necessity, and reasonableness of the costs incurred.	0
2014-CH-1002	1/6/2014	001-B	We recommend that the Director of HUD's Detroit Office of Community Planning and Development determine whether the U.S. Treasury paid unnecessary interest on the Program funds associated with the more than \$604,000 in fire insurance funds the City transferred into its Program account in July 2013. If the U.S. Treasury paid unnecessary interest, the City should reimburse HUD, for transmission to the U.S. Treasury, from non-Federal funds for the unnecessary interest the U.S. Treasury paid on the Program funds that the City inappropriately drew down for activities when it had fire insurance funds for the properties associated with the activities.	0
2014-CH-1002	1/6/2014	001-G	We recommend that the Director of HUD's Detroit Office of Community Planning and Development require the City to determine for the remaining 177 addresses in its report whether fire insurance funds were available when it drew down Program funds for the demolition costs. If fire insurance funds were available, the City should (1) use the fire insurance funds for eligible Program costs before drawing down additional Program funds and (2) reimburse HUD, for transmission to the U.S. Treasury, from non-Federal funds any unnecessary interest the U.S. Treasury paid on the Program funds that it drew down for activities when it had fire insurance funds for the properties associated with the activities.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-CH-1004	7/14/2014	001-I	We recommend that the Acting Director of HUD's Chicago Office of Public Housing require the Authority to for households currently residing in units that are not affordable, renegotiate the rents to owner or require the households to move to units that are affordable.	0
2014-CH-1006	8/14/2014	001-B	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to reconcile its books and accounting records to determine the sources and use of funds in its operating account.	0
2014-CH-1006	8/14/2014	003-H	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to review the remaining household files to ensure that additional households are not residing in units that are not affordable.	0
2014-CH-1006	8/14/2014	003-L	We recommend that the program center coordinator of HUD's Indianapolis Office of Public and Indian Housing require the Authority to implement procedures and controls to ensure that required eligibility documentation is obtained and maintained to support households' admission to and continued assistance on the program.	0
2014-FO-0004	4/15/2014	001-G	Report on Multifamily, Public Housing, and Section 8 program improper payment rates separately in the agency financial reports.	0
2014-FO-0004	4/15/2014	001-L	Coordinate with all appropriate program officials when responding to OCFO's information requests to ensure that all statements are accurate for the current fiscal year, to include but not be limited to updates to corrective action plans, internal controls in place, and information on any barriers the agency is experiencing.	0
2014-FO-0004	4/15/2014	001-M	Develop and execute formal plans to hold accountable program officials and processing entities (owners or administrators) responsible for improper payments.	0
2014-FO-0004	4/15/2014	002-A	Reassess existing supplemental measures and corrective actions, and enhance or develop new supplemental measures and corrective actions to ensure that they target the root causes of error identified in the improper payment studies.	0
2014-FO-0004	4/15/2014	002-D	Reassess existing supplemental measures and corrective actions, and enhance or develop new supplemental measures and corrective actions to ensure that they target the root causes of error identified in the improper payment studies.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FO-0004	4/15/2014	002-E	Periodically reevaluate the supplemental measures and corrective actions so that new and innovative ways to reduce improper payments are identified and implemented.	0
2014-FO-0004	4/15/2014	002-F	Work with REAC to develop management-level reports in EIV that will allow Multifamily Housing management to efficiently and effectively identify processing entities that are responsible for improper payments and develop policies and procedures to hold owners/administrators identified accountable.	0
2014-FO-0004	4/15/2014	002-G	Work with PIH and Multifamily Housing management to develop management-level reports in EIV that will allow PIH and Multifamily Housing management to efficiently and effectively identify processing entities that are responsible for improper payments.	0
2014-FO-0004	4/15/2014	002-H	Work with PIH and Multifamily Housing to determine annual improper payments HUD made to deceased tenants, and report this amount as an additional source of improper payments in its AFR.	0
2014-FW-0001	2/7/2014	001-K	The housing agencies to work with their respective responsible entities and local HUD environmental officer to show that no harm occurred from completion of all of the projects or mitigate any harm that occurred.	0
2014-FW-0002	5/12/2014	001-H	The housing agencies to work with their respective responsible entities and local HUD environmental officer to show that no harm occurred from completion of all the projects or mitigate any harm that did occur.	0
2014-FW-0005	9/24/2014	001-L	The housing commissions to work with their respective responsible entities and local HUD environmental officer to show that no harm occurred from completion of all of the projects or mitigate any harm that occurred.	0
2014-FW-1804	8/1/2014	001-K	Support or repay from non-Federal funds \$6,895 in unsupported pay increases.	0
2014-KC-0002	7/2/2014	001-A	Document the selection rules used for feeding data to CAIVRS to explain in detail the flow of information from HUD's systems.	0
2014-KC-0002	7/2/2014	001-C	Develop and implement system error checks to identify potential reporting issues.	0
2014-KC-0002	7/2/2014	002-A	Update CAIVRS' selection rules to report delinquent Federal debt beyond the 3-year claim period or obtain an exemption from the Secretary of the Treasury to exempt FHA loans after 3 years.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-LA-0004	6/30/2014	001-A	Revise HUD's asset management fee policy to re-federalize the Operating Fund program's management and bookkeeping fees and the Capital Fund program's management fees.	0
2014-LA-0004	6/30/2014	001-C	Establish and implement procedures to reassess the management and bookkeeping fees periodically to ensure that they are reasonable. HUD should retain the documentation justifying the calculation of the rates.	0
2014-LA-0004	6/30/2014	001-H	Develop, document, and implement written procedures to ensure that fees charged to the asset management projects and Capital Fund program and expenses from the central office cost center are used to support HUD's mission.	0
2014-LA-0005	8/8/2014	001-E	Develop and implement post indemnification and billing policies and procedures to ensure that lenders are billed for loans that are part of the ACD and CWCOT programs.	0
2014-LA-0005	8/8/2014	001-F	Develop and implement post indemnification and billing policies and procedures to ensure that lenders are billed for loans that went into default during indemnification agreement period.	0
2014-LA-0005	8/8/2014	001-G	Develop and implement policies and procedures to ensure that it notifies the Financial Operations Center of any program changes that could impact the billing of FHA single-family lenders for losses related to enforceable indemnification agreements.	0
2014-LA-1007	9/29/2014	001-B	Review the rest of its active CDBG-funded projects in its portfolio managed by its former redevelopment agency to ensure that all required executed agreements are in place with the relevant parties, guaranteeing the City's vested interest within one year of this report or take appropriate action against the City for those that did not have the applicable required agreements.	0
2014-LA-1007	9/29/2014	001-C	Review the rest of its active CDBG-funded projects in its portfolio that were managed by its former redevelopment agency to ensure that all projects meet a national objective. For those that did not meet program national objectives, provide and implement a plan of action to meet the specific national objective within one year of this report or reimburse HUD from non-Federal funds.	0
2014-NY-0001	2/19/2014	001-B	We recommend that the Director, Office of Multifamily Asset Management, require that each Hub or field office review its refinanced Section 202/223(f) projects for debt service savings amounts, utilizing data provided from this audit for possible additional debt service savings. Where legally possible each Hub or field office should identify, account for by project, and use these amounts for current and future opportunities benefiting tenants or to fund reductions in housing assistance payments.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-NY-0001	2/19/2014	001-C	We recommend that the Director, Office of Multifamily Asset Management, implement procedures to ensure that all future Section 202 refinancings comply with the requirement to generate positive debt service savings or the limited exception to this requirement related to 6 percent or lower interest rates.	0
2014-NY-0003	9/4/2014	001-C	We recommend that the Director of the Public Housing Financial Management Division ensure that the 2014 ARF funding calculation for the 10 PHAs includes the corrections needed as a result of this finding, thus ensuring that the ARF funding provided will represent funds to be put to better use.	0
2014-NY-1004	5/20/2014	001-B	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to require the subrecipient to request a waiver related to the apparent conflict of interest and implement standards of conduct procedures that prohibit participation in the selection, award, or administration of a contract involving Federal funds if there is a real or apparent conflict of interest.	0
2014-NY-1004	5/20/2014	001-E	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to establish controls to ensure that grant- and subgrant-supported activities are adequately monitored and administered to provide assurance that funds have been used only for eligible activities, costs incurred are necessary and reasonable, and national objectives have been attained.	0
2014-NY-1004	5/20/2014	001-F	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to establish controls to ensure that CDBG funds are not used to pay for costs related to other funding sources or programs.	0
2014-NY-1004	5/20/2014	001-H	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to establish procedures to ensure that the costs of administering the State-funded rehabilitation program are no longer charged to the CDBG program.	0
2014-NY-1004	5/20/2014	001-I	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to Establish controls to ensure that assets are adequately safeguarded and duties are adequately segregated.	0
2014-NY-1008	7/25/2014	001-B	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct Palladia officials to strengthen oversight controls over disbursements to ensure that adequate supporting documentation is maintained and complies with applicable regulations.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-NY-1008	7/25/2014	001-C	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct Palladia officials to follow its policies and procedures for record-keeping to maintain records that adequately identify the source and application of funds provided for financially assisted activities.	0
2014-NY-1008	7/25/2014	001-D	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct Palladia officials to provide records detailing the funding sources of the non-Federal cash match for the six grant activities reviewed.	0
2014-NY-1008	7/25/2014	001-F	We recommend that the Director of HUD's New York Office of Community Planning and Development instruct Palladia officials to reconcile its accounting records to ensure that total revenues and expenditures in its general ledgers reconcile to the revenues and expenditures reported in its annual performance reports and LOCCS.	0
2014-NY-1009	9/18/2014	002-N	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support compliance with HOME program rent limit and income eligibility requirements for the three tenants who occupy HOME-assisted units.	0
2014-PH-1007	7/15/2014	001-D	Based on the outcome of the State's investigation and criminal trial, make a referral to HUD recommending administrative sanctions, as appropriate, up to and including debarment of the Authority's former rehabilitation specialist, the Planning District Commission's former deputy director, and the involved contractors.	0
2015-AT-1001	12/5/2014	001-D	Conduct monitoring of the Section 108 activities with signs of slow progress to ensure that program objectives are met and provide the intended benefits.	0
2015-AT-1001	12/5/2014	002-B	Ensure that borrowers did not use Section 108 funds to finance local government operations and verify the return of any ineligible disbursement.	0
2015-AT-1001	12/5/2014	002-D	Ensure that the borrowers either transfer the unexpended Section 108 loan proceeds to the repayment account or submit a request for extension to HUD.	0
2015-AT-1001	12/5/2014	002-E	Ensure that the borrowers provide HUD the additional security requirements according to the loan agreement.	0
2015-AT-1001	12/5/2014	002-F	Ensure that borrowers develop and implement a financial management system in accordance with HUD requirements to ensure that program funds can be traced to a level that ensures that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-AT-1001	12/5/2014	002-G	Ensure that all Section 108 loan proceeds deposited at commercial banks are properly collateralized with Government obligations.	0
2015-AT-1001	12/5/2014	002-H	Conduct monitoring reviews of all Section 108 projects and ensure that borrowers comply with all loan agreement provisions and HUD regulations.	0
2015-AT-1001	12/5/2014	002-I	Increase monitoring of Municipal Affairs' performance in the administration of its Section 108 loan program. Consider imposing sanctions if Municipal Affairs does not demonstrate program progress.	0
2015-DP-0004	12/9/2014	001-B	Not released to public.	0
2015-DP-0004	12/9/2014	001-D	Not released to public.	0
2015-DP-0004	12/9/2014	001-E	Not released to public.	0
2015-FO-0002	12/8/2014	001-A	Continue to work with CPD's information technology services contractor and OCFO to ensure that all three phases of the plan to bring IDIS into compliance with GAAP and applicable Federal system requirements are completed as scheduled.	0
2015-FO-0002	12/8/2014	003-F	Validate grants payable estimates and any assumptions used to produce the estimates against subsequent grantee reporting.	0
2015-FO-0002	12/8/2014	003-G	Incorporate into their grants payable accrual estimation methodologies steps to appropriately validate grant accrual estimates and assumptions used to produce the estimates against subsequent grantee reporting.	0
2015-FO-0002	12/8/2014	005-E	Work with OCFO to revise the funds control plans for the Section 8 project-based programs to ensure that the obligation process in place is sufficient to support a legally binding point of obligation and is reviewed and authorized by designated officials.	0
2015-FO-0002	12/8/2014	007-D	Periodically reconcile balances with OCIO subsidiary records and research and resolve any identified differences.	0
2015-FO-0002	12/8/2014	007-F	Increase efforts to quickly complete outstanding front-end risk assessments and coordinate with OCFO to finalize the review and approval process even in the absence of policies and procedures with specific deadlines in this area.	0
2015-FO-0002	12/8/2014	007-I	Develop a subsidiary system to accumulate the capitalized cost and related depreciation expense for each software project under development or placed into production.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0003	11/18/2015	013-A	Complete any outstanding validation reviews and transition back as much as \$466.5 million in Housing Choice Voucher program funding from MTW PHAs and \$41 million from non-MTW PHAs.	507,500,000
2016-FO-0002	11/16/2015	001-C	Start the billing process for the claims paid, plus incentive, in which the lender has not provided the original note and security instrument within the prescribed deadlines for the \$291 million.	291,489,605
2015-NY-1011	9/17/2015	003-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to provide documentation showing that the \$127.2 million budgeted for inspection-related construction management and environmental review services is fair and reasonable in accordance with a cost or price analysis as required by regulations at 24 CFR 85.36.	127,200,000
2016-FO-0003	11/18/2015	008-A	Close out and deobligate the remaining balances on 2,308 expired homeless assistance contracts of \$104,347,996. HUD should also deobligate \$3,602,342 in 102 program obligations marked for deobligation during the departmentwide open obligations review. Lastly, HUD should review the 57 obligations with remaining balances of \$188,176 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	108,138,514
2016-FO-0003	11/18/2015	008-F	Review and if necessary deobligate the 228, 477, and 29 expired or inactive project-based Section 8, Section 235-236, and Section 202-811 projects totaling \$52.5 million, \$36.2 million, and \$1.3 million, respectively.	90,000,000
2015-LA-0002	7/6/2015	001-A	Develop and implement written policies and procedures with an emphasis on increased controls toward the monitoring, tracking, underwriting, and evaluating of the Section 184 program. Implementing these controls would reduce the current high level of risk in the program and result in potentially \$76,967,618 in funds to be put to better use (see appendix A).	76,967,618
2015-NY-1011	9/17/2015	001-F	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to provide adequate documentation for the reasonableness of the cost figure used to disburse \$55,672,982 for reconstruction costs. Any amount not adequately supported should be repaid to the State's line of credit.	55,672,982
2015-NY-1011	9/17/2015	001-G	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to provide adequate documentation for the reasonableness of the cost figure used for reconstruction costs, thus ensuring that the undisbursed award balance of \$31,831,316 is put to its intended use.	31,831,316

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0003	11/18/2015	008-E	Deobligate all obligations marked for deobligation during the department-wide open obligations review, including as much as \$19,634,263 in 209 administrative obligations and \$2,224,807 in 24 program obligations marked for deobligation as of September 30, 2015. Additionally, HUD should review the 225 obligations with remaining balances of \$285,024 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	22,144,094
2015-KC-1005	8/4/2015	001-A	Refer Berkadia to the Mortgagee Review Board for appropriate action for violations that caused a more than \$11 million loss to HUD's FHA insurance fund.	11,312,956
2015-AT-1003	6/30/2015	001-A	Refer Prudential to the Mortgagee Review Board to take appropriate action for violations that caused \$10,159,961 in unnecessary or unreasonable cost to HUD's FHA insurance fund or other administrative action as appropriate.	10,159,961
2016-AT-1002	12/17/2015	001-A	Submit a plan for how it will proceed with respect to the multipurpose facility project, including a schedule that HUD can track to ensure its completion. HUD must reevaluate the feasibility of the activity and determine the eligibility of the \$8,111,304 already invested. (Footnote 4: Total investments of \$8,232,388 were adjusted to account for \$109,084 questioned in recommendation 2A and \$12,000 in recommendation 2B.) If HUD determines that the activity has been canceled or is not feasible, the Municipality must commit any unused loan proceeds for future loan repayments.	8,111,304
2015-BO-1003	3/4/2015	001-B	Provide documentation to support that \$4,235,773 in NSP funds was spent for eligible costs by obtaining documentation showing that the projects met a national objective, purchase price discounts were met, rehabilitation costs were reasonable and necessary, resale prices were in accordance with NSP requirements, rental amounts were affordable, and developers assumed risk by investing some of their own money in the project as applicable and if such support cannot be provided, repay the amount.	1
2015-AT-0001	3/31/2015	001-B	Provide support showing that it took proper remedial action regarding five NSP3 grantees that missed the expenditure deadline, thereby putting \$3,379,269 to better use.	3,345,967
2015-LA-1004	5/29/2015	001-A	Repay HUD \$3,119,448 from non-Federal funds for program funds spent on ineligible participants.	3,119,448
2015-NY-1005	4/30/2015	002-A	We recommend that the HUD Director of Community Planning and Development instruct City officials to reduce the City's CHDO reserve balance reported in IDIS as of June 30, 2014, for the ineligible CHDO reserve of \$2,229,445.	2,229,445

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-NY-1011	9/17/2015	001-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to reimburse the line of credit for \$2,229,234, which was disbursed to program recipients for ineligible costs.	2,229,234
2016-FO-0003	11/18/2015	008-H	Deobligate all obligations marked for deobligation during the department-wide open obligations review, including as much as \$430,942 in 44 administrative obligations and \$135,957 in 2 program obligations marked for deobligation as of September 30, 2015. Additionally, HUD should review the 17 obligations with remaining balances of \$1,486,191 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	2,053,090
2015-NY-1010	9/17/2015	002-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to review the five properties with indications that they may be second homes and if they are, reimburse the State's line of credit from non-Federal funds for the \$1,664,658 disbursed for these purchases.	1,664,658
2015-FW-1002	6/26/2015	001-A	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support the cost reasonableness of the drainage cleaning contract and provide adequate support for payment of the contractor's invoices or repay its grant any of the \$1,611,143 that it cannot support. Repayment should be from non-Federal funds.	1,611,143
2016-FO-0003	11/18/2015	008-J	Review the 216 obligations with remaining balances totaling \$1,506,233 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	1,506,233
2016-AT-1002	12/17/2015	001-B	Submit a plan for how it will proceed with respect to the municipal cemetery project, including a schedule that HUD can track to ensure its completion. HUD must reevaluate the feasibility of the activity and determine the eligibility of the \$1,454,801 already invested. If HUD determines that the activity has been canceled or is not feasible, the Municipality must commit any unused loan proceeds for future loan repayments.	1,454,801
2015-NY-1005	4/30/2015	002-B	We recommend that the HUD Director of Community Planning and Development instruct City officials to provide documentation to support the additional CHDO reserve of \$1,163,598 or reimburse the City's HOME program line of credit from non-Federal funds.	1,163,598

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-NY-1010	9/17/2015	003-E	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to provide documentation that the selection of the appraiser in Staten Island was consistent with the other State agency's contract provisions. If such documentation cannot be provided, the \$1,093,290 budgeted should be deobligated, thus ensuring that the funds will be put to better use.	1,093,290
2015-NY-1011	9/17/2015	001-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to deobligate the undisbursed amount of \$911,662 to ensure that the funds will be put to their intended use.	911,662
2015-LA-1004	5/29/2015	001-C	Develop and implement written policies and procedures to ensure that participants are eligible for the program and comply with HUD rules and requirements. Also, the Authority should ensure that these policies and procedures include the monitoring of third-party organizations involved with the program so that \$873,428 in program funds can be put to better use.	873,428
2015-NY-1005	4/30/2015	002-K	We recommend that the HUD Director of Community Planning and Development instruct City officials to revise deed restrictions to correct effective affordability periods for the four properties that had not been completed or repay more than \$850,008 from non-Federal funds to the City's HOME program line of credit.	850,008
2015-NY-1005	4/30/2015	001-A	We recommend that the HUD Director of Community Planning and Development instruct City officials to repay the \$844,640 in HOME funds committed contrary to program regulations so that these funds can be recaptured in accordance with Federal regulations.	844,640
2015-NY-1006	5/22/2015	001-A	We recommend that the Deputy Assistant Secretary for Single Family Housing instruct First Niagara Bank to provide HUD evidence that the lender's servicing practices for loans identified in Appendix D were acceptable for mortgages insured by HUD. In the event that HUD determines servicing practices were inadequate, First Niagara Bank should indemnify HUD for \$825,133 in estimated losses for 10 loans. The estimated loss is based on the loss severity rate of 50 percent of the total unpaid principal balance of \$1,650,266 as of December 31, 2014.	825,133
2015-CH-1008	9/25/2015	001-C	Implement procedures and controls to ensure that (1) housing assistance payments are correctly calculated and paid and (2) required eligibility documentation is obtained and maintained to ensure that \$820,881 (\$753,728 in overpayments + \$67,153 in underpayments) in program funds is appropriately used for future payments.	820,881

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-PH-0003	7/29/2015	001-A	Require the three agencies to justify \$814,382 in unnecessary assistance payments made for the overhoused cases or either reduce future HUD funding or reduce the contract or budget authority for any funding increment by the applicable amounts that the agencies could not justify.	214,917
2015-CH-0001	7/31/2015	001-A	We recommend that HUD's Deputy Assistant Secretary for Single Family Housing require the lenders to support that the repairs to the properties associated with the 32 loans without evidence of permits complied with local code or reimburse HUD \$792,837 for the escrow repair funds.	792,837
2016-CH-1001	11/24/2015	001-A	Support or reimburse its program from non-Federal funds for the \$686,701 in program funds drawn down for which it did not provide sufficient documentation to support that the funds were used for eligible project expenses.	686,701
2015-LA-1803	9/30/2015	001-B	Repay \$1,089,613 in ineligible costs for funds that were misrepresented in IDIS, funds that were drawn before a legally binding agreement was in place between the City and the developer, and did not produce a project (Filbert Phase 2).	632,063
2015-FW-1002	6/26/2015	001-B	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support the reasonableness of the cost increases for the demolition contract or repay \$616,529 to its grant from non-Federal funds.	616,529
2016-FO-0003	11/18/2015	008-O	Deobligate the \$587,198 in eight administrative obligations marked for deobligation during the departmentwide open obligations review.	587,198
2015-AT-1004	7/2/2015	001-A	Submit all supporting documentation showing the eligibility and propriety of \$538,485 drawn from its treasury account or reimburse the HOPWA program line of credit from non-Federal funds.	538,485
2015-NY-1005	4/30/2015	002-J	We recommend that the HUD Director of Community Planning and Development instruct City officials to impose deed restrictions or other mechanisms approved by HUD on the four properties assisted with HOME funds to enforce affordability requirements or repay \$527,116 from non-Federal funds to the City's HOME program line of credit.	527,116
2015-PH-1001	1/30/2015	001-C	Provide documentation to support its use of \$519,284 in program funds for activities 1760 and 1816 or reimburse its program from non-Federal funds for any amount that it cannot support.	519,284

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-PH-1805	4/20/2015	001-A	Provide documentation to support the \$503,744 in unsupported payments identified by the review or reimburse the applicable programs from non-Federal funds for any costs that it cannot support.	503,744
2015-CH-1009	9/30/2015	001-A	Support or reimburse its program from non-Federal funds \$1,211,842 (more than \$652,000 disbursed to Chicago Neighborhood Initiatives, Inc. + \$1 million disbursed to the City of Belleville + nearly \$60,000 for the Association's two contracts - \$500,000) for the program funds used for the three projects without sufficient documentation to support that the use of the funds met Federal requirements.	500,000
2015-DE-1802	9/30/2015	001-A	Ensure that HUD records the \$500,000 settlement due in its accounting records, including the \$11,000 paid at the time of settlement, to recognize funds due as a return of an ineligible cost.	479,000
2015-PH-1003	6/4/2015	001-D	Determine whether the documentation the State provided is adequate to support the \$467,659 disbursed for wages and salaries charged to the program by contractors' employees and if not, direct the State to repay HUD from non-Federal funds any amount that it cannot support.	467,659
2015-LA-1002	4/16/2015	001-B	Support or repay the payroll allocation, estimated at \$457,357, to its SHP grants for 2013.	457,357
2015-AT-1005	7/9/2015	001-C	Provide adequate support or reimburse the U.S. Treasury from non-Federal funds for procurement activities from the 2008 grant totaling \$457,327 (Footnote 4). The actual amount unsupported was \$460,397. To avoid double counting, the amount was reduced by \$3,070, which is accounted for in the eligibility section.	457,327
2015-AT-1005	7/9/2015	001-D	Provide adequate support or repay the program from non-Federal funds for procurement activities from the 2011 grant totaling \$416,914.	416,914
2015-CF-1807	9/28/2015	001-A	Ensure that HUD records the \$465,981 settlement due and the \$50,000 payment received at settlement to recognize funds due as return of an ineligible cost.	415,981
2015-CH-1004	9/9/2015	001-C	We recommend that the Director of HUD's Cleveland Office of Public and Indian Housing require the Authority to support or reimburse its program \$414,781 (\$375,336 + \$7,273 in housing assistance payments + \$32,172 in associated administrative fees) from non-Federal funds for the unsupported payments of housing assistance cited in this finding.	414,781

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-CH-1008	9/25/2015	001-I	1Support or reimburse its program \$411,382 from non-Federal funds (\$395,299 + \$2,418 in housing assistance payments + \$13,665 in associated administrative fees for the missing eligibility documentation) for the missing eligibility documentation and unsupported housing assistance payments.	411,382
2015-LA-1005	7/9/2015	001-E	Reimburse FHA borrowers \$376,102 for the unallowable, misrepresented discount fees and \$7,110 for fees that were not customary or reasonable.	383,212
2015-NY-1005	4/30/2015	002-E	We recommend that the HUD Director of Community Planning and Development instruct City officials to provide documentation to support the income eligibility of the five home buyers assisted with HOME funds and if documentation cannot be provided, reimburse the City's HOME program line of credit \$379,494 from non-Federal funds.	379,494
2015-NY-1005	4/30/2015	002-C	We recommend that the HUD Director of Community Planning and Development instruct City officials to reimburse the City's HOME program line of credit \$344,776 from non-Federal funds for HOME assistance spent on housing units acquired by five ineligible home buyers.	344,776
2015-NY-1005	4/30/2015	001-C	We recommend that the HUD Director of Community Planning and Development instruct City officials to reimburse the City's HOME program line of credit \$344,341 from non-Federal funds for assistance provided in excess of HOME subsidy limits.	344,341
2015-LA-1802	9/24/2015	001-C	Support or repay the program for grant funds of \$340,581 that were drawn without being reviewed by HUD.	340,581
2015-FW-1002	6/26/2015	001-C	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support the reasonableness of the cost increases for the grant management contract or repay \$328,737 to its grant from non-Federal funds.	328,737
2015-CH-0001	7/31/2015	001-B	We recommend that HUD's Deputy Assistant Secretary for Single Family Housing require the lenders to support that the repairs to the properties associated with the six loans were not structural repairs or indemnify HUD for the four active loans with a total estimated loss of \$222,073 and reimburse HUD for the actual loss of \$83,322 incurred on the sale of two properties associated with FHA case numbers 052-4308836 and 034-8239100.	305,395
2015-BO-1003	3/4/2015	001-E	Provide documentation to support \$265,572 in unsupported administrative expenses. Any expenses determined not to be properly supported should be considered ineligible and reimbursed.	265,572

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0003	11/18/2015	008-K	Deobligate \$140,165 in 41 administrative and \$125,166 in 3 program obligations marked for deobligation during the department-wide open obligations review.	265,331
2015-FW-1806	6/11/2015	001-B	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to support payroll costs totaling \$372,832 or repay its Housing Choice Voucher program fund \$321,684 and public housing program fund \$51,148 from non-Federal funds.	256,204
2015-CH-1009	9/30/2015	001-C	Reimburse its program from non-Federal funds \$250,000 for the program funds that the City of Belleville inappropriately forgave the Wagner Motor Car Company from repaying.	250,000
2015-CH-1006	9/11/2015	001-C	Indemnify HUD \$191,074 for two loans that were still active and did not receive proper loss mitigation (FHA case numbers 151-6263199 and 151-9226347) and one loan (FHA case number 156-0374114) in which the borrower's revised payment was incorrect (50 percent loss severity rate applied to the unpaid balance of \$382,147).	191,074
2015-LA-1001	1/30/2015	001-B	Provide adequate supporting documentation for the \$183,642 in unsupported operating expenses and lease costs or repay the HOPWA program from non-Federal funds.	183,642
2015-NY-1005	4/30/2015	002-D	We recommend that the HUD Director of Community Planning and Development instruct City officials to reimburse City's HOME program line of credit \$163,516 from non-Federal funds for the two ineligible homeowners who owned other real properties.	163,516
2015-AT-1005	7/9/2015	001-A	Reimburse the U.S. Treasury from non-Federal funds \$151,699 from the 2008 grant for ineligible procurement activities using the expired environmental contract.	151,699
2015-AT-1004	7/2/2015	001-B	Submit all supporting documentation showing the eligibility and propriety of \$143,320 in HOPWA expenditures or reimburse the HOPWA program line of credit from non-Federal funds.	143,320
2016-AT-1002	12/17/2015	002-A	Reimburse \$139,767 to its loan guarantee account from non-Federal funds for ineligible disbursements that were not related to the approved projects.	139,767
2015-LA-1004	5/29/2015	001-B	Provide supporting documentation for \$136,346 in program funds used for participants for whom eligibility could not be determined or repay HUD from non-Federal funds (see appendix D).	136,346

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1806	6/11/2015	001-C	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to support purchases totaling \$195,080 or repay its Housing Choice Voucher program fund \$123,791 and public housing program fund \$71,289 from non-Federal funds.	135,839
2015-NY-1005	4/30/2015	001-G	We recommend that the HUD Director of Community Planning and Development instruct City officials to provide documentation to support that \$125,810 in costs charged to the three unsupported HOME activities was for eligible costs, and if such documentation cannot be provided, reimburse the City's HOME program line of credit from non-Federal funds.	125,810
2015-NY-1011	9/17/2015	001-D	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to provide adequate documentation to support \$119,124 in CDBG-DR funds that was disbursed to three recipients. If any amount cannot be adequately supported, it should be repaid to the State's line of credit.	119,124
2016-FW-1801	10/2/2015	001-C	We recommend that the Director, Office of Public Housing, San Antonio, TX, require the Authority to repay from non-Federal funds unreasonable contractor costs of \$119,000 to its HUD low-rent program account.	119,000
2015-NY-1005	4/30/2015	001-E	We recommend that the HUD Director of Community Planning and Development instruct City officials to reimburse the City's HOME line of credit for \$113,849 that was drawn down in excess of need so that these funds can be put to better use.	113,849
2015-AT-1011	9/30/2015	001-C	Reimburse its program from non-Federal funds for the overpayment of any housing assistance for approval of rent increases on program units contrary to its requirements.	100,340
2015-BO-1003	3/4/2015	001-D	Repay \$100,250 in NSP funds that were spent for ineligible administrative expenses.	100,250
2015-CH-0001	7/31/2015	001-E	Support that the required repairs to the property associated with FHA case numbers 241-9513470 and 277-1438986 were sufficiently addressed and complied with local codes or indemnify HUD for the estimated loss of \$97,355, based on the loss severity rate of 50 percent of the unpaid balance of \$194,709 as of January 29, 2015.	97,355
2015-NY-1005	4/30/2015	002-H	We recommend that the HUD Director of Community Planning and Development instruct City officials to reimburse the City's HOME program line of credit \$95,781 from non-Federal funds for funds spent on the development of two housing properties that were later terminated from the program.	95,781

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1001	11/24/2015	001-B	Reimburse HUD from non-Federal funds for the \$87,651 in program funds used for improper operating expenses.	87,651
2015-NY-1010	9/17/2015	002-E	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to provide documentation to support that the \$85,309 disbursed for four applicants was calculated correctly. If adequate support cannot be provided, the amount should be repaid to the State's line of credit from non-Federal funds.	85,309
2015-CH-0001	7/31/2015	001-C	We recommend that HUD's Deputy Assistant Secretary for Single Family Housing require the lenders to support that the borrower for FHA case number 451-1165810 was not reimbursed for the cost of labor or indemnify the loan with an estimated loss amount of \$83,715, based on the loss severity rate of 50 percent of the unpaid principal balance of \$167,429 as of January 29, 2015.	83,715
2015-LA-1001	1/30/2015	001-A	Provide adequate supporting documentation for the \$82,563 in unsupported salary costs or repay the HOPWA program from non-Federal funds.	82,563
2015-CH-1008	9/25/2015	001-A	Reimburse its program \$79,884 from non-Federal funds (\$45,093 in housing assistance overpayments + \$15,816 due to inappropriate voucher size + \$605 in overpaid utility allowances + \$18,370 in associated administrative fees) for the inappropriate payments cited in this finding.	79,884
2015-FW-1807	8/14/2015	001-B	We recommend that the Director, Office of Public Housing, Little Rock, require the Authority to support or repay its public housing program \$611,338 from non-Federal funds for improperly procured contracts. However, if the Authority made any of the expenditures from its capital fund grants that have not been validated within 2 years, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD.	78,293
2016-FO-0003	11/18/2015	008-L	Review the 20 obligations with remaining balances of \$77,807 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	77,807
2015-LA-1003	4/24/2015	001-C	Provide supporting documentation for the \$77,200 in unsupported administrative and management costs or repay its project from non-project funds for any costs that remain unsupported.	77,200
2015-PH-1804	2/19/2015	001-A	Allow the HUD Office of Inspector General to post the civil penalty of \$75,000 in HUD's Audit Resolution and Corrective Action Tracking System as funds put to better use.	75,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-LA-1002	4/16/2015	001-A	Support or repay \$73,451 in unsupported costs to the program from non-Federal funds.	73,451
2015-LA-1009	9/30/2015	001-E	Reimburse FHA borrowers \$25,700 for fees that were not customary or reasonable and \$46,510 in discount fees that did not represent their intended purpose.	72,210
2015-CH-1006	9/11/2015	001-B	Support or reimburse HUD \$71,827 for the loss incurred or incentive claim paid on two loans (FHA case numbers 151-8081634 and 151-9161593) that lacked support of appropriate loss mitigation decisions.	71,827
2015-KC-1001	3/5/2015	002-A	Require Breakthrough Living to repay the \$69,577 that it collected from its Section 8 tenants. For any tenant who left the Section 8 program and cannot be located, HUD should require Breakthrough Living to send his or her refund to the Kansas State treasurer so the treasurer can get the refund to the tenant or a family member.	69,577
2015-CH-1006	9/11/2015	001-D	Support or indemnify HUD \$67,660 for the two active loans (FHA case numbers 151-9161593 and 263-4317828) that lacked evidence that loss mitigation was properly implemented (50 percent loss severity rate applied to the unpaid principal balance of \$135,318).	67,660
2015-NY-1005	4/30/2015	002-F	We recommend that the HUD Director of Community Planning and Development instruct City officials to provide documentation to support the income eligibility of the two homeowners who received home-ownership assistance and if documentation cannot be provided, reimburse the City's HOME program line of credit \$55,941 from non-Federal funds.	55,941
2015-LA-1802	9/24/2015	001-A	Support or repay \$49,307 in unsupported costs to the program from non-Federal funds.	49,307
2015-KC-1001	3/5/2015	001-A	Require Breakthrough Living to repay from non-Federal sources the unpaid balance of \$47,690 that it transferred from its reserve for replacement account to its operating account and management agent.	47,690
2015-AT-1005	7/9/2015	001-B	Repay the program \$45,740 from non-Federal funds from the 2011 grant for ineligible procurement activities using the expired environmental contract.	45,740
2015-CH-0001	7/31/2015	001-D	Support that the repair conditions and comments indicated in the direct endorsement underwriter form, form HUD-54114, were satisfied for FHA case number 501-8198149. If the repair conditions and comments were not properly addressed, the lenders should indemnify the loan with an estimated loss amount of \$39,367, based on the loss severity rate of 50 percent of the unpaid principal balance of \$78,733 as of January 29, 2015.	39,367

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-LA-1003	4/24/2015	001-H	Provide supporting documentation showing the payment of the unremitted rents from its sponsor for deposit into the project's bank account totaling \$37,138 or repay its project from nonproject funds.	37,138
2015-LA-1008	9/22/2015	001-A	Provide supporting documentation for the \$36,000 in unsupported accounting journal entries and correct inaccurate information related to these entries in its general ledger.	36,000
2015-AT-1011	9/30/2015	001-A	Support or reimburse its program \$34,414 from non-Federal funds for the unsupported payment of housing assistance due to missing eligibility documentation (Footnote: \$25,590 + \$6,223 in housing assistance payments + \$2,275 + \$326 in associated administrative fees).	34,414
2015-KC-1007	8/20/2015	001-A	Reprocure its executive director services using the appropriate policies and procedures to ensure properly procured services going forward and use the quotes from that procurement to justify the \$34,226 spent for executive director services from August 2011 through December 2014. For any amount the Authority cannot support, HUD should reduce future annual operating funds.	34,226
2015-AT-1012	9/30/2015	001-B	Provide support that \$33,473 paid for procurements was reasonable or reimburse the appropriate projects for the balance from non-project funds.	33,473
2015-LA-1003	4/24/2015	001-D	Provide supporting documentation for the \$31,637 in unsupported income deposit entries and correct any inaccurate information related to the income deposits in its general ledger.	31,637
2015-AT-1012	9/30/2015	001-A	Provide documentation to support \$27,646 was spent on eligible purposes or reimburse the appropriate projects for the balance from non-project funds.	27,646
2015-LA-1003	4/24/2015	001-F	Require its sponsor to immediately repay the ineligible loans totaling \$25,300 from nonproject funds.	25,300
2015-KC-1008	9/1/2015	001-A	Reprocure its executive director services using the appropriate policies and procedures to ensure properly procured services going forward and use the quotes from that procurement to justify the \$24,600 spent for executive director services from August 2011 through December 2014. For any amount the Authority cannot support, HUD should reduce future annual operating funds.	24,600
2015-CH-1008	9/25/2015	002-A	Reimburse HUD \$24,088 from non-Federal funds for the Family Self-Sufficiency grant funds inappropriately received.	24,088

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1807	8/14/2015	001-F	We recommend that the Director, Office of Public Housing, Little Rock, require the Authority to support or repay its programs, as appropriate, \$23,621 from non-Federal funds for unsupported leave balance payments to the former executive director. However, if the Authority made any of the expenditures from its capital fund grants that have not been validated within 2 years, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD.	23,621
2015-FW-1004	8/17/2015	001-C	We recommend that HUD require the Authority to provide support for or reimburse the \$21,426 in unsupported payments to its program. Payment must be from non-Federal funds.	21,426
2015-KC-1006	8/20/2015	001-C	Reprocure its fee accounting services using the appropriate policies and procedures to ensure properly procured services going forward and to use the quotes from that procurement to justify the \$12,873 spent from the Public Housing Operating Fund program and the \$8,375 spent from the Housing Choice Voucher program funds for fee accounting services from October 2011 through December 2014. The Authority should repay any unsupported portion to the appropriate program fund from non-Federal funds.	21,248
2016-FW-1801	10/2/2015	001-B	We recommend that the Director, Office of Public Housing, San Antonio, TX, require the Authority to repay from non-Federal funds ineligible contractor costs of \$19,880 to its HUD low-rent (\$18,900) and Housing Choice Voucher (\$980) program accounts.	19,880
2015-LA-1008	9/22/2015	001-D	Obtain written approval from HUD for the \$17,674 in unsupported rental credits or repay its project from nonproject funds for rental credits that remain unsupported.	17,674
2015-KC-1008	9/1/2015	001-D	Justify the three awards given to contractors when only one bid was received totaling \$17,626. For any amount the Authority cannot support, HUD should reduce future annual capital funds.	17,626
2015-CH-1008	9/25/2015	001-E	Pursue collection from the applicable households or reimburse its program \$16,648 from non-Federal funds for the overpayment of housing assistance due to unreported income.	16,648
2015-LA-1002	4/16/2015	003-A	Repay the applicable clients the overcharged program fees, which combined totaled \$15,435 (see appendix E).	15,435
2015-AT-1011	9/30/2015	001-B	Reimburse its program \$15,151 from non-Federal funds for the deficiencies cited in the finding (Footnote: \$672 + \$10,228 + \$537 + \$2,152 in housing assistance payments + \$574 + \$503 + \$140 + \$345 in associated administrative fees).	15,151

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-LA-1010	9/30/2015	001-E	Reimburse \$13,726 to FHA borrowers for the fees that were not customary or reasonable.	13,726
2015-LA-1003	4/24/2015	001-E	Provide supporting documentation for the \$13,418 in unsupported general costs or repay its project from nonproject funds for any costs that remain unsupported.	13,418
2015-CF-1804	3/27/2015	001-A	Agree to allow HUD OIG to record the \$15,000 settlement in HUD's Audit Resolution and Corrective Actions Tracking System as an ineligible cost.	13,000
2015-CH-0001	7/31/2015	002-A	Reimburse or apply \$10,552 in credit to borrowers' future premiums for the 54 active loans with overpaid premiums and refund \$2,024 to the borrowers of the 7 terminated loans.	12,576
2015-AT-1004	7/2/2015	001-C	Reimburse \$12,447 to the HOPWA program line of credit from non-Federal funds for ineligible disbursements that were not related to the program.	12,447
2015-FW-1805	4/10/2015	001-C	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to support or repay \$11,875 in unsupported salary costs.	11,775
2015-FW-1805	4/10/2015	001-D	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to repay its low-rent public housing program \$11,256 from non-Federal funds for ineligible contract labor payments.	11,256
2015-LA-1802	9/24/2015	001-D	Support or repay the June 2015 drawdown of \$11,198, which Veterans First was advised to use for its Susan Street past-due rent.	11,198
2015-KC-1006	8/20/2015	002-C	Provide adequate support for the \$9,632 not reviewed to show that funds were spent for eligible items or repay the affected program from non-Federal funds.	9,632
2015-KC-1006	8/20/2015	002-D	Repay the Housing Choice Voucher program for the \$9,214 spent for Housing Quality Standards voucher inspections from non-Federal funds.	9,214
2015-FW-1805	4/10/2015	001-E	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to repay its low-rent public housing program \$9,072 for ineligible USDA program administrative expenses.	9,072

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1807	8/14/2015	001-E	We recommend that the Director, Office of Public Housing, Little Rock, require the Authority to repay its public housing program \$11,651 from non-Federal funds for ineligible expenditures. However, if the Authority made any of the expenditures from its capital fund grants that have not been validated within 2 years, or if the Authority is unable to determine the source of funds used to pay expenditures, the Authority should repay HUD.	8,803
2015-LA-1802	9/24/2015	001-B	Repay \$8,083 in ineligible costs to the program from non-Federal funds.	8,083
2015-KC-1001	3/5/2015	001-B	Require Breakthrough Living to repay from non-Federal sources the \$5,642 that it used to pay for its management agent's overhead expenses.	5,642
2015-KC-1007	8/20/2015	001-B	Reprocure its fee accounting services using the appropriate policies and procedures to ensure properly procured services going forward and use the quotes from that procurement to justify the \$4,507 spent for fee accounting services from August 2011 through December 2014. For any amount the Authority cannot support, HUD should reduce future annual operating funds.	4,507
2015-LA-1008	9/22/2015	001-C	Provide supporting documentation for the \$4,000 unsupported loan deposit entry and correct inaccurate information related to the deposit in its general ledger.	4,000
2015-KC-1008	9/1/2015	001-B	Reprocure its fee accounting services using the appropriate policies and procedures to ensure properly procured services going forward and use the quotes from that procurement to justify the \$3,991 spent for fee accounting services from August 2011 through December 2014. For any amount the Authority cannot support, HUD should reduce future annual operating funds.	3,991
2015-LA-1002	4/16/2015	001-C	Repay \$3,245 in ineligible costs to the program from non-Federal funds.	3,245
2015-CH-1008	9/25/2015	001-B	Reimburse the appropriate households \$6,330 (\$4,292 in housing assistance underpayments + \$1,488 due to inappropriate voucher size + \$550 in utility allowance underpayments from program funds for the inappropriate underpayments cited in this finding.	3,173
2015-KC-1007	8/20/2015	002-A	Collect from its executive director services provider and repay its Capital Fund program the \$3,000 that it improperly paid the provider from its capital funds.	3,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-CH-1008	9/25/2015	001-H	Pursue collection from the applicable landlords or reimburse its program \$2,900 from non-Federal funds for the overpayment of housing assistance due to discrepancies in the housing assistance payment register.	2,900
2015-KC-1007	8/20/2015	001-C	Justify the \$2,400 spent for the 2012 annual agency plan and 2014 5-year and annual agency plan. For any amount the Authority cannot support, HUD should reduce future annual operating funds.	2,400
2015-KC-1006	8/20/2015	002-A	Repay the affected programs the \$2,148 spent for meals, social activities, donations, gifts, and floral arrangements from non-Federal funds.	2,148
2015-FW-1004	8/17/2015	001-A	We recommend that HUD require the Authority to repay its Housing Choice Voucher program \$2,139 in incorrect housing assistance. Payment must be from non-Federal funds.	2,139
2015-LA-1008	9/22/2015	001-B	Provide supporting documentation for the \$14,873 in unsupported disbursements that included a \$200 loan to an employee, or repay its project from nonproject funds for costs that remain unsupported.	1,985
2015-KC-1008	9/1/2015	001-C	Justify the \$1,200 spent for the 2014 5-year and annual agency plan. For any amount the Authority cannot support, HUD should reduce future annual operating funds.	1,200
2015-LA-1003	4/24/2015	001-G	Repay to its project \$889 from nonproject funds for incurred ineligible expenses.	889
2015-KC-1010	9/30/2015	002-B	Require the Authority to provide adequate support that it spent \$47,057 on allowable expense. Any amount determined to be ineligible should be repaid from non-Federal funds to its program or to HUD as the field office deems appropriate based on the funding source.	736
2015-KC-1009	9/30/2015	002-B	Require the Authority to provide adequate support that it spent \$31,147 on allowable expenses. Any amount determined to be ineligible should be repaid from non-Federal funds to its program or to HUD as the field office deems appropriate based on the funding source.	519
2015-LA-1003	4/24/2015	001-I	Provide supporting documentation for the \$450 balance in its general ledger account related to security deposits, ensure that the required security deposit bank account is established and funded to the required amount in accordance with HUD rules and requirements, and correct any inaccurate information related to security deposits in its general ledger.	450

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-KC-1011	9/30/2015	002-B	Require the Authority to provide adequate support that it spent \$27,600 on allowable expense. Any amount determined to be ineligible should be repaid from non-Federal funds to its program or to HUD as the field office deems appropriate based on the funding source.	435
2015-FW-1004	8/17/2015	001-D	We recommend that HUD require the Authority to provide support or repay its program \$53 for the unexplained payments. Payment must be from non-Federal funds.	53
2015-KC-1006	8/20/2015	002-B	Provide adequate support for the \$53 spent at the grocery store or repay the affected program from non-Federal funds.	53
2015-FW-1004	8/17/2015	001-B	We recommend that HUD require the Authority to reimburse \$22 to the family that was overcharged. Reimbursement should be from the Authority's reserves.	22
2015-AT-1008	8/23/2015	001-B	Develop, implement, and enforce procedures to comply with rent reasonableness requirements to prevent an estimated \$195,975 in excess rents from being charged to the program.	0
2015-CH-0801	6/25/2015	001-A	We recommend that the Director of HUD's Office of Affordable Housing Programs implement adequate procedures and controls to ensure that leases between rental housing projects' owners and households for Program-funded units do not include language prohibited by HUD's regulations.	0
2015-CH-1001	2/24/2015	001-B	We recommend that the Deputy Assistant Secretary for Public Housing Investments require the Authority to conduct special recertifications for the households with payment standards above the percentage determined to be reasonable and cost effective so that their payment standards can be reduced within one year.	0
2015-CH-1001	2/24/2015	001-C	We recommend that the Deputy Assistant Secretary for Public Housing Investments require the Authority to reimburse its program from non-Federal funds for the excess housing assistance paid for the households based on the results of the analysis.	0
2015-DE-1001	5/26/2015	003-C	Implement a procedure for checking all contractors in the System for Award Management before awarding any contract and all subcontractors before distributing Federal funds, such as requiring subrecipients to submit a copy of the System for Award Management results for each contractor and subcontractor seeking payment with each draw request to ensure that they are verified before receiving Federal funds.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FO-0003	2/27/2015	001-A	Establish and implement policies and procedures to demonstrate how Ginnie Mae provides appropriate accounting and financial reporting oversight of the master-subservicers to ensure that the master-subservicers are capable of producing accurate and reliable accounting records and reports.	0
2015-FO-0003	2/27/2015	001-B	Establish and implement policies and procedures to properly account for and track at a loan level all of the accounting transactions and events in the life cycle of the loans. This measure is intended to compensate for the servicing system's inability to perform loan level transaction accounting.	0
2015-FO-0003	2/27/2015	002-A	Establish and implement policies and procedures to ensure that reimbursable costs are tracked and accounted for at the loan level.	0
2015-FO-0003	2/27/2015	002-B	Determine the amount of reimbursable costs incurred by Ginnie Mae per loan, report the reimbursable costs incurred as receivables rather than expensing them, and adjust them out of the mortgage-backed securities loss liability account as appropriate.	0
2015-FO-0003	2/27/2015	002-C	Restate fiscal year 2013 financial statements to correct the impact of the accounting errors determined in recommendation 2B.	0
2015-FO-0003	2/27/2015	002-D	Review and recalculate the appropriate amount of interest accrued on the loans and adjust the accrued interest receivable balances reported as appropriate.	0
2015-FO-0003	2/27/2015	002-E	Report the escrow fund balances on the face of the financial statements, including additional disclosure information in the notes, in accordance with generally accepted accounting principles.	0
2015-FO-0003	2/27/2015	002-F	Restate fiscal year 2013 financial statements to show escrow fund balances omitted on the face of the financial statements.	0
2015-FO-0003	2/27/2015	003-A	Establish and implement policies and procedures for the documentation and validation of Ginnie Mae management assumptions, including foreclosure costs and redefault rates, used in the loss reserve model going forward.	0
2015-FO-0003	2/27/2015	004-B	Work with HUD's Chief Financial Officer to design and implement a compliant financial management governance structure.	0
2015-FO-0003	2/27/2015	004-D	Overseeing a comprehensive risk assessment of Ginnie Mae's financial management governance.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FO-0003	2/27/2015	004-E	Preparing and implementing a plan, based on the results of the risk assessment in recommendation 4D, that i) Demonstrates HUD OCFO oversight of Ginnie Mae's, as a HUD component, financial management activities; ii) Ensures that Ginnie Mae updates its financial management policies to reflect conclusions reached in the financial management risk assessment; iii) Provides complete, reliable, consistent and timely information for defaulted issuers' pooled and non-pooled loans, prepared on a uniform basis for preparation of Ginnie Mae financial statements, management reporting, and cost reporting; and iv) Ensures all of Ginnie Mae's financial management systems, both owned and outsourced, provide the financial information necessary to prepare and support financial statements that comply with generally accepted accounting principles.	0
2015-FO-0005	5/15/2015	003-C	Reassess the susceptibility of significant improper payments for the CPD entitlement, non-entitlement, HOME Investment Partnerships Program, and other formula grant programs based on the results of audit report 2014-FO-0003 as well as the community service and self-sufficiency requirement in public housing subsidiaries identified in OIG audit report 2015-KC-0001.	0
2015-FO-0005	5/15/2015	004-A	For HUD's high priority programs, high priority programs are those identified by OMB as the programs with the most egregious cases of improper payments. HUD's RHAP was identified as high-priority by OMB. HUD should reevaluate the types of errors previously identified to determine whether new causes of errors exist that would lead to significant improper payments and require reporting in accordance with the improper payments categories outlined in OMB Circular A-123, appendix C, for fiscal years 2015 and beyond.	0
2015-FW-0001	6/16/2015	001-A	We recommend that the Deputy Secretary of the U.S. Department of Housing and Urban Development ensure that HUD follows and complies with 24 CFR Part 50, Protection and Enhancement of Environmental Quality, and provides adequate oversight to ensure compliance with 24 CFR Part 58, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.	0
2015-FW-0001	6/16/2015	001-C	We recommend that the Deputy Secretary of the U.S. Department of Housing and Urban Development clarify the delegation of authority issued in the Federal Register related to environmental responsibility and the implementation of requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-0001	6/16/2015	001-D	If an independent program office is not established, the Deputy Secretary should ensure that the Assistant Secretaries for Housing, Public and Indian Housing, and Community Planning and Development establish an agreement that clearly outlines each program office's responsibilities for oversight of environmental requirements and resource supplements.	0
2015-FW-0001	6/16/2015	001-E	If an independent program office is not established, the Deputy Secretary should ensure that the Assistant Secretaries for Housing, Public and Indian Housing, and Community Planning and Development adopt a quality control monitoring program that includes a review of all program area field offices as required by Executive Order 11514.	0
2015-FW-0001	6/16/2015	001-F	If an independent program office is not established, the Deputy Secretary should ensure that the Assistant Secretaries for Housing, Public and Indian Housing, and Community Planning and Development develop and implement a monitoring program that all program area field offices can use to monitor grantees and responsible entities under 24 CFR Part 58.	0
2015-FW-0001	6/16/2015	001-G	If an independent program office is not established, the Deputy Secretary should ensure that the Assistant Secretaries for Housing, Public and Indian Housing, and Community Planning and Development develop training programs that meet the needs of all program areas, including 24 CFR Parts 50 and 58.	0
2015-FW-0001	6/16/2015	001-H	If an independent program office is not established, the Deputy Secretary should ensure that the Assistant Secretaries for Housing, Public and Indian Housing, and Community Planning and Development develop and implement reporting requirements, which ensure that written records are maintained and the appropriate headquarters personnel are notified of environmental concerns.	0
2015-FW-0001	6/16/2015	001-I	If an independent program office is not established, the Deputy Secretary should ensure that the Assistant Secretaries for Housing, Public and Indian Housing, and Community Planning and Development ensure that each program area has a dedicated program environmental clearance officer with an official job description that outlines his or her roles and responsibilities as required by 24 CFR Part 50.	0
2015-FW-1806	6/11/2015	001-F	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to determine the amount of Federal and State taxes it owes for payments made to its contractors and pay those tax liabilities.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FW-1806	6/11/2015	001-G	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to review its contracts with the contractors and their outside employment and take necessary action to either properly treat them as contractors or reclassify them as employees.	0
2015-LA-1003	4/24/2015	001-L	Ensure that the membership of its board of directors complies with its by-laws by consisting of seven members.	0
2015-LA-1003	4/24/2015	001-M	Obtain HUD training and technical assistance for its project administrator, management company, and board of directors to ensure compliance with HUD rules and requirements that pertain to the management and operation of its project.	0
2015-NY-1005	4/30/2015	002-M	We recommend that the HUD Director of Community Planning and Development instruct City officials to correct the reported completion status and home-buyer information recorded in IDIS for the three HOME activities for which incorrect information was recorded.	0
2015-PH-1001	1/30/2015	001-F	Evaluate the apparent conflict-of-interest situation identified in this report, determine whether a conflict of interest existed, and pursue administrative sanctions if warranted.	0
2015-AT-0002	8/21/2015	001-A	Comply with its Management Agent Handbook requirements that stipulate HUD must perform management reviews of the management agent's central office activities as well as regular onsite reviews of functions carried out at the projects. These central office reviews should be performed at least once every 18 months.	0
2015-AT-1008	8/23/2015	001-D	Develop, implement, and enforce detailed procedures for County staff to detect double billing and prevent duplicate payments of grant funds.	0
2015-AT-1008	8/23/2015	002-B	Develop, implement, and enforce detailed procedures for staff and project sponsors to ensure that they comply with HUD's match requirements. Procedures and accompanying guidance should include (1) tracking the cash or in-kind match amounts monthly or consistently to ensure that the match amount reported in its APR to HUD is accurate and supported by the documentation provided by the project sponsors, (2) providing to project sponsors a list of the types of documentation that may be sufficient to ensure the eligibility of the use and source of the match funds, and (3) reviewing the documentation from project sponsors to ensure that the sources of the funds used to match the grant funds are eligible and sufficiently supported to comply with 24 CFR 578.73.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-AT-1009	9/3/2015	001-F	Pursue administrative actions, as appropriate, against the responsible parties for the regulatory agreement violations cited in this report.	0
2015-AT-1009	9/3/2015	001-G	Determine legal sufficiency and if legally sufficient, pursue remedies under the Program Fraud Civil Remedies Act against the hospital's former chief financial officer for incorrectly certifying to the accuracy of the financial information submitted to obtain the Section 242 program mortgage increase.	0
2015-AT-1011	9/30/2015	001-C	Reimburse its program from non-Federal funds for the overpayment of any housing assistance for approval of rent increases on program units contrary to its requirements.	100,340
2015-CH-0001	7/31/2015	002-B	Determine the overpaid mortgage insurance premium for the 69 active loans after September 2014 for the life of the loans, and reimburse or apply the overpayments as credits to borrowers' future premium payments.	0
2015-CH-0001	7/31/2015	002-C	Determine the number of 203(k) loans impacted by the incorrect loan-to-value ratio for mortgage insurance premium calculations and when applicable, reimburse borrowers or apply the overpaid premiums as credits toward borrowers' future premium payments.	0
2015-CH-0802	8/26/2015	001-A	Implement adequate policies and procedures to ensure that the activities included in Authority's plans are (1) allowable under the Moving to Work statutory purposes, (2) described in sufficient detail to convey anticipated impacts (including financial impact), and (3) in accordance with the terms and authorizations set forth in the Moving to Work agreements.	0
2015-CH-1008	9/25/2015	001-G	Renegotiate the rents to the owners or require the households to move to units that are affordable, for the households residing in units that are not affordable.	0
2015-CH-1008	9/25/2015	001-J	Develop and implement adequate quality control procedures to ensure that it (1) correctly calculates and pays housing assistance and (2) obtains and maintains the required eligibility documentation.	0
2015-CH-1008	9/25/2015	002-B	Implement adequate procedures and controls to ensure that (1) program participants are connected to needed supportive services, (2) services included in the participants' contracts of participation are provided, (3) and participants' escrow accounts are properly maintained.	0
2015-CH-1009	9/30/2015	001-D	Implement adequate controls to ensure that the Department administers the program in accordance with Federal requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-CH-1010	9/30/2015	001-B	Provide sufficient documentation to support that HUD had received 50 percent of the proceeds from initial membership sales as of June 2015. If the Cooperative cannot do this, it should pay HUD half of the principal on the Cooperative notes for all memberships less the amount the Cooperative paid HUD for initial membership sales.	0
2015-FW-0802	9/16/2015	001-C	We recommend that the Deputy Assistant Secretary, Office of Public Housing and Voucher Programs, Require that housing agencies provide HUD with a signed acknowledgement by executive directors and board chairpersons when they are hired or appointed. The acknowledgement should detail their awareness and understanding of their responsibilities, and their acceptance that failure to comply with requirements could result in administrative or other actions.	0
2015-FW-1808	9/10/2015	001-L	We recommend that the Director of the Departmental Enforcement Center Consider administrative sanctions against the former executive director and board for the gross mismanagement and poor physical condition of the Authority's property.	0
2015-KC-0002	8/11/2015	001-A	Issue guidance to help participating jurisdictions accurately report the amount of match contributed and consumed.	0
2015-KC-0002	8/11/2015	001-B	Include monitoring of HOME match during its performance reviews to ensure that match contributions exist, are eligible, and are supported.	0
2015-KC-0002	8/11/2015	001-C	Require the 10 jurisdictions that overstated their excess match balances to remove the overstated amounts from their reported HOME match carry-forward balances.	0
2015-KC-1009	9/30/2015	001-C	Monitor the Authority's expenditures after training to ensure that the executive director understands and correctly applies procurement requirements.	0
2015-KC-1009	9/30/2015	002-C	Require the Authority to obtain appropriate training on eligible uses of program funds, including items that can be charged to tenant services, travel expenses, and hiring practices.	0
2015-KC-1009	9/30/2015	003-J	Monitor the Authority after the recommended training and tenant file reviews are complete to ensure the executive director understands and properly implements public housing occupancy requirements.	0
2015-KC-1009	9/30/2015	005-B	Require the Authority's executive director to obtain appropriate training regarding inventory and record keeping requirements to supplement the training recommended in the other findings.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-KC-1009	9/30/2015	005-C	Monitor the Authority to ensure that it implements appropriate records management systems.	0
2015-KC-1009	9/30/2015	005-D	Determine whether Authority management is able to properly implement HUD requirements and consider remedies that may be required to address any noncompliance with the annual contributions contract.	0
2015-KC-1010	9/30/2015	001-C	Monitor the Authority's expenditures after training to ensure that the executive director understands and correctly applies procurement requirements.	0
2015-KC-1010	9/30/2015	002-C	Require the Authority to obtain appropriate training on eligible uses of program funds, including items that can be charged to tenant services, travel expenses, and hiring practices.	0
2015-KC-1010	9/30/2015	003-J	Monitor the Authority after the recommended training and tenant file reviews are complete to ensure the executive director understands and properly implements public housing occupancy requirements.	0
2015-KC-1010	9/30/2015	005-B	Require the Authority's executive director to obtain appropriate training regarding inventory and record-keeping requirements to supplement the training recommended in the other findings.	0
2015-KC-1010	9/30/2015	005-C	Monitor the Authority to ensure that it implements appropriate records management systems.	0
2015-KC-1010	9/30/2015	005-D	Determine whether Authority management is able to properly implement HUD requirements and consider remedies that may be required to address any noncompliance with the annual contributions contract.	0
2015-KC-1011	9/30/2015	001-C	Monitor the Authority's expenditures after training to ensure that the executive director understands and correctly applies procurement requirements.	0
2015-KC-1011	9/30/2015	002-C	Require the Authority to obtain appropriate training on eligible uses of program funds, including items that can be charged to tenant services, travel expenses, and hiring practices.	0
2015-KC-1011	9/30/2015	003-I	Monitor the Authority after the recommended training and tenant file reviews are complete to ensure the executive director understands and properly implements public housing occupancy requirements.	0
2015-KC-1011	9/30/2015	005-B	Require the Authority's executive director to obtain appropriate training regarding inventory and record-keeping requirements to supplement the training recommended in the other findings.	0
2015-KC-1011	9/30/2015	005-C	Monitor the Authority to ensure that it implements appropriate records management systems.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-KC-1011	9/30/2015	005-D	Determine whether Authority management is able to properly implement HUD requirements and consider remedies that may be required to address any noncompliance with the annual contributions contract.	0
2015-KC-1012	9/30/2015	001-A	Require LoanCare to repay any additional costs associated with the violations noted.	0
2015-LA-1008	9/22/2015	001-E	Develop and implement written policies and procedures to ensure that project funds are used solely for reasonable operating expenses or necessary repairs unless it receives prior written approval from HUD and uses surplus cash.	0
2015-LA-1008	9/22/2015	001-F	Obtain written approval from HUD for its management agent and execute a management agreement that defines the management agent's roles and responsibilities as required by HUD rules and requirements.	0
2015-LA-1008	9/22/2015	001-G	Develop and implement written policies and procedures to address the financial operations of the project.	0
2015-LA-1008	9/22/2015	001-H	Submit to HUD all outstanding financial statements.	0
2015-LA-1008	9/22/2015	001-I	Obtain HUD training and technical assistance for itself and its identity-of-interest management agent to ensure compliance with HUD rules and requirements that pertain to the management and operation of its project.	0
2015-LA-1802	9/24/2015	001-F	Pursue civil remedies or administrative sanctions against Veterans First and responsible parties for the misuse of HUD funds.	0
2015-NY-1010	9/17/2015	002-F	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to strengthen controls to ensure that buyout awards are calculated in accordance with Federal regulations.	0
2015-NY-1011	9/17/2015	001-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to strengthen controls over determining the eligibility of award recipients and substantiate award calculations to ensure that costs charged to the CDBG-DR program are eligible.	0
2015-NY-1011	9/17/2015	001-E	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to strengthen controls over the maintenance of documentation to provide greater assurance that disbursed funds are adequately supported.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-NY-1011	9/17/2015	001-H	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to document the amount paid for the flawed studies used to support the \$160-per-square-foot cost figure and take action to recoup the amount paid, thus ensuring that this amount will be available for other eligible costs.	0
2015-NY-1011	9/17/2015	002-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to properly document the low- and moderate-income status of the two homeowners whose status was improperly reported.	0
2015-NY-1011	9/17/2015	002-G	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to strengthen controls to ensure that all required contracts and amounts are accurately reported on its Web site.	0
2015-NY-1012	9/30/2015	001-A	We recommend that the Director of HUD's Office of Residential Care Facilities instruct Morris Park officials to establish and implement procedures to ensure that distributions are made to the owner only if the project complies with all requirements in the regulatory agreement, to include compliance with notices of physical inspection deficiencies.	0
2015-NY-1012	9/30/2015	001-B	We recommend that the Director of HUD's Office of Residential Care Facilities instruct Morris Park officials to establish and implement written accounting procedures to ensure that books and records are maintained in accordance with HUD requirements.	0
2015-NY-1012	9/30/2015	001-C	We recommend that the Director of HUD's Office of Residential Care Facilities instruct Morris Park officials to ensure that accounting records are reconciled monthly.	0
2015-NY-1012	9/30/2015	001-D	We recommend that the Director of HUD's Office of Residential Care Facilities instruct Morris Park officials to implement procedures to ensure that audited financial statements are prepared and submitted to HUD in a timely manner in accordance with the regulatory agreement.	0
2016-AT-1002	12/17/2015	002-C	Provide supporting documentation showing that it complied with all environmental requirements. If the Municipality does not provide evidence that it complied with all environmental requirements, HUD must initiate appropriate sanctions under 24 CFR 58.77(d)(1)(v) for noncompliance.	0
2016-AT-1002	12/17/2015	002-D	Either transfer the unexpended Section 108 loan proceeds to the repayment account or submit a request for extension to HUD.	0
2016-AT-1002	12/17/2015	002-E	Provide HUD the additional security requirements according to the loan agreement.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-1002	12/17/2015	002-F	Develop and implement a financial management system in accordance with HUD requirements to ensure that program funds can be traced to a level, which ensures that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.	0
2016-AT-1002	12/17/2015	002-G	Ensure that all Section 108 loan proceeds deposited at commercial banks are properly collateralized with Government obligations.	0
2016-AT-1002	12/17/2015	002-H	Provide training, technical assistance, and increase monitoring of the Municipality's performance in the administration of its Section 108 loan program.	0
2016-AT-1801	12/16/2015	001-A	Enforce HUD's requirements for the owners and operator to immediately obtain and maintain liability and property insurance on the project.	0
2016-DP-0002	12/21/2015	001-B	Not released to public.	0
2016-DP-0002	12/21/2015	001-C	Not released to public.	0
2016-DP-0801	11/30/2015	001-A	Not released to public.	0
2016-DP-0801	11/30/2015	001-B	Not released to public.	0
2016-DP-0801	11/30/2015	001-C	Not released to public.	0
2016-DP-0801	11/30/2015	001-D	Not released to public.	0
2016-DP-0801	11/30/2015	001-E	Not released to public.	0
2016-DP-0801	11/30/2015	001-F	Not released to public.	0
2016-DP-0801	11/30/2015	001-G	Not released to public.	0
2016-FO-0001	11/13/2015	002-A	Prepare an analysis of all outstanding REMIC deals to determine the cumulative effect of misstatements and make the appropriate adjustments to the financial statements.	0
2016-FO-0001	11/13/2015	002-B	Update the accounting policies and procedures related to revenue recognition to reasonably ensure compliance with GAAP.	0
2016-FO-0001	11/13/2015	002-C	Establish and implement policies and procedures to ensure that asset balances in Ginnie Mae's books are appropriately adjusted to account for the timing differences in the collection and remittance of cash from its master sub-servicers	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0001	11/13/2015	004-A	Ensure that the systems and processes for servicing and financial reporting on Ginnie Mae's defaulted issuers' portfolio are ready and capable of handling loan level accounting.	0
2016-FO-0001	11/13/2015	004-B	Establish and implement entity wide policies and procedures for an effective model risk management. At a minimum, it should include the following elements: Controls over model development, implementation and use; Controls over model documentation; Controls over model validation; Controls over model evaluation for fitness, selection and validation of third-party models; and Establish adequate structure of responsibilities for model oversight, including evaluation of model data inputs, assumptions and methodology	0
2016-FO-0001	11/13/2015	005-A	Segregate duties between individuals collecting, recording, depositing, and reconciling cash, and periodically review the controls over the cash process to ensure proper implementation of compatible functions in its cash operations department.	0
2016-FO-0001	11/13/2015	005-C	Automate the approval process to include restricting the ability to make unauthorized changes unless evidence of approval is present or increase the scope of the "Admin Adjustments Report" to include all exceptions and adjustments. Additionally, the contractor should review the report for changes, verify that the changes identified in the report coincide with evidence of proper authorization, and ensure changes that are not properly supported are investigated and resolved accordingly.	0
2016-FO-0001	11/13/2015	006-A	Request a legal opinion from the implementing agency, the U.S. Treasury, for a determination of whether Ginnie Mae is required to comply with DCIA.	0
2016-FO-0003	11/18/2015	002-D	Establish a process to track the amount HUD owes to PHAs to cover prepayment shortages and provide the information to OCFO so that it can be properly recognized as accounts payable.	0
2016-FO-0003	11/18/2015	004-B	Promptly complete all reconciliation processes to determine the root causes of incorrect balances.	0
2016-FO-0003	11/18/2015	004-C	Based on root causes identified, make necessary adjustments to the system configurations in GFAS to ensure proper and accurate budgetary resource reporting that complies with FFMIA and OMB A-11.	0
2016-FO-0003	11/18/2015	004-D	Review user roles in GFAS and assign additional staff to ensure that proper segregation of duties is maintained.	0
2016-FO-0003	11/18/2015	006-A	Evaluate the weaknesses identified by NAPA, as well as OCFO's disagreement with those weaknesses and recommendations, and identify what corrective actions will be taken and when those actions will be taken.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0003	11/18/2015	006-B	Develop a process to ensure that issues and recommendations from all evaluations and audits, including those performed by third parties like NAPA, are adequately documented and tracked and properly evaluated by senior management to ensure that HUD's FMFIA structure remains compliant. HUD should also ensure that corrective actions are agreed upon and responsibility for implementing corrective actions is appropriately delegated.	0
2016-FO-0003	11/18/2015	006-C	Develop procedures to provide oversight of OCPO procurement activities to ensure that those with financial accounting and reporting impact are properly captured and reflected in HUD's financial statements.	0
2016-FO-0003	11/18/2015	006-D	Review projects and acquisitions to determine whether the proper accounting treatment was applied and determine whether corrections to HUD's financial statements are needed.	0
2016-FO-0003	11/18/2015	006-E	Contact all other HUD program offices to determine whether any other programs authorize or are aware of grantees holding funds in advance of their immediate disbursement needs and determine financial statement impact on and compliance with Treasury cash management requirements of any found.	0
2016-FO-0003	11/18/2015	006-F	Distribute the workload among available accountants when staff is unavailable to ensure that all cash reconciliations are performed in a timely manner.	0
2016-FO-0003	11/18/2015	006-G	Ensure that standard operating procedures for IGT activity are updated, to include reconciling IGT balances for all transactions required by the Federal Intragovernmental Transactions Accounting Policies Guide included in the Treasury Financial Manual 2-4700. HUD should also include procedures to promptly reconcile, research, and resolve differences identified in the Treasury quarterly scorecard.	0
2016-FO-0003	11/18/2015	006-H	Provide training on IGT reporting to ensure that responsible staff is sufficiently trained to allow reconciliations to be promptly performed and differences identified to be identified, researched, and resolved in a timely manner.	0
2016-FO-0003	11/18/2015	006-I	Ensure that the agency's key IGT point of contact is responsible for overseeing and coordinating efforts with component entities to ensure that Treasury quarterly scorecard differences are promptly researched and resolved.	0
2016-FO-0003	11/18/2015	006-J	Revise policies and procedures to ensure that MCRs are routinely monitored and completed for all program areas and establish a timeframe for completion of the MCR reports. Further, HUD should ensure that an escalation process is included to address untimely completion of the MCR process.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0003	11/18/2015	007-A	Develop policies and procedures to ensure that any data changes and accounting adjustments processed by OCFO Systems staff that impact the general ledger are sufficiently documented, identifying a description of the event, the preparers of the adjustment, the approving officials of the adjustment, and dates when adjustments occurred.	0
2016-FO-0003	11/18/2015	008-C	Develop and implement a monitoring plan to review outstanding disaster grant activity to ensure that the expenditure rates are consistently tracked and evaluated and that there are specific criteria to identify slow-moving projects. The procedures should include a process to follow up and recommend corrective actions for the slow-moving projects identified, to include recapturing funds if necessary.	0
2016-FO-0003	11/18/2015	008-D	Design and implement a policy to ensure that reconciliations of expenditure activity between HUD's financial management systems and DRGR are periodically performed for all active disaster grant balances to ensure that expenditure activity is accurate in DRGR. The policy should also include procedures for follow-up and resolution of identified differences.	0
2016-PH-0005	9/29/2016	001-A	Perform a detailed review of the procurement procedures for each of the State grantees that received funds under the Disaster Relief Act. If the State did not demonstrate that its procedures incorporated the specific procurement standards included in 24 CFR 85.36(b) through (i) or that its procedures were equivalent to each individual procurement provision of 24 CFR 85.36(b) through (i), HUD should (1) require the grantee to update its procedures and provide an updated certification and (2) review the updated grantee certification to confirm that the State meets requirements and has a proficient procurement process in place, thereby putting up to \$4,872,056,594 to better use. In cases in which HUD has not yet awarded all of the allocated funds to the State, HUD should complete these steps before it executes any additional grant agreements with the State.	4,872,056,594
2017-KC-0001	10/14/2016	001-A	Issue a change to regulations at 24 CFR Part 203, which would avoid unnecessary costs to the FHA insurance fund, allowing an estimated \$2.23 billion to be put to better use. These changes include (1) a maximum period for filing insurance claims and (2) disallowance of expenses incurred beyond established timeframes.	2,238,721,464

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-0001	2/26/2016	001-D	Implement adequate procedures and controls to ensure that public housing agencies maintain valid declarations of trust that are recorded in public records to prevent more than \$509 million in annual operating subsidy funds from being provided to projects in which HUD's interests and investments are not protected. Such procedures and controls should include but not be limited to (1) issuing additional guidance regarding declarations of trust to assist HUD's field office staff, public housing agencies, and independent auditors in clarifying HUD's requirements and appropriately evaluating the declarations of trust and (2) amending the A-133 Compliance Supplement to require auditors to review an entire project at a time and include steps for determining whether all property of the project is included on declarations of trust and whether the declarations of trust were properly recorded in public records.	509,000,000
2017-FO-0002	11/14/2016	002-D	Ensure that the \$276.5 million identified as invalid obligations in fiscal years 2015 and 2016 are deobligated as appropriate.	276,567,940
2017-FO-0001	11/14/2016	002-F	Reverse the accounting write-off of the advances accounts. In conjunction with the subledger data solution, conduct a proper analysis to determine whether any of the \$248 million balances in the advances accounts are collectible.	248,016,624
2017-FO-0003	11/15/2016	008-A	Close out and deobligate the remaining balances on 3,121 expired homeless assistance contracts of \$151,719,152. Further, deobligate \$10,996,784 in 234 program obligations marked for deobligation during the departmentwide open obligations review.	162,715,936
2017-FO-0003	11/15/2016	012-A	Complete any outstanding validation reviews and transition back as much as \$168.3 million in Housing Choice Voucher program funding from PHAs.	150,100,000
2017-FO-0003	11/15/2016	008-Q	Record the deobligations provided by OCPO totaling as much as \$86.4 million for the contracts identified during our review. Additionally, Ginnie Mae should deobligate the \$587,505 in three administrative obligations marked for deobligation during the departmentwide open obligations review.	86,987,505
2016-FW-1010	9/30/2016	001-A	We recommend that the Acting Deputy Assistant Secretary for Grant Programs require the State to develop and implement policies and procedures to document and perform detailed review and testing to establish eligibility, existence, disaster event qualifications, reasonableness of cost estimates, prioritization, and fund allocation, both retroactively and prospectively, which would put \$81,982,712 to better use.	81,982,712
2016-CF-1801	9/8/2016	001-A	Acknowledge that the attached settlement agreement for \$70 million represents an amount due HUD.	59,000,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0002	11/14/2016	003-C	Request payment in the amount of the claims paid, plus incentive, from mortgagees that have not provided the original note within the prescribed deadline for the \$55.3 million.	55,350,830
2016-CF-1806	9/19/2016	001-A	Acknowledge that \$76 million of the \$113 million in the attached settlement agreement represents an amount due HUD.	50,000,000
2016-KC-0002	9/21/2016	001-B	Establish a process for requiring removal of pooled loans that remain uninsured at the maximum time to put \$49.3 million to better use.	49,300,000
2017-FO-0003	11/15/2016	008-G	Review and if necessary deobligate the 785 expired or inactive Section 235-236, Section 202-811, and Project Based Section 8 projects totaling \$22,075,052, \$12,261,389, and \$384,125, respectively.	34,720,566
2016-NY-1009	8/12/2016	001-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to provide documentation showing that the approximately \$22 million disbursed for the identified procurements complied with the applicable procurement requirement at 24 CFR 85.36(f) and repay any amounts determined to be unsupported from non-Federal funds.	21,958,549
2017-FO-0003	11/15/2016	008-F	Deobligate all obligations marked for deobligation during the departmentwide open obligations review, including as much as \$18,290,686 in 307 administrative obligations and \$3,420,032 in 202 program obligations marked for deobligation as of September 30, 2016.	21,710,718
2016-KC-0001	8/17/2016	001-A	Require the contractor to complete the necessary debt collection efforts for \$21,526,130 in uncollected partial claims associated with FHA mortgages terminated during fiscal year 2015.	21,526,130
2017-NY-1004	12/21/2016	001-A	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to reimburse the Program from non-Federal funds \$18,274,054 in exempt State sales tax on repairs and maintenance services.	18,274,054
2017-FO-0003	11/15/2016	008-B	Review the status of the remaining balances on 1,356 expired ESG contracts totaling \$17,986,109 and determine whether these balances should be recaptured.	17,986,109

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1009	9/30/2016	001-V	Make a preliminary determination as to whether the Condominium Association is in default of the grant agreement. If it is preliminarily determined that the Condominium Association is in default, HUD should provide the Condominium Association notice of the determination and propose corrective or remedial actions to address the default and prevent the Condominium Association from the possible repayment of the remaining \$13,878,088 in program funds, which HUD disbursed for the project (\$14,156,600 in program funds disbursed for the project – \$278,512 in proceeds from initial unit sales the Condominium Association remitted to HUD).	13,878,088
2017-BO-1001	10/12/2016	001-A	Support that the \$13,333,151 awarded for the architect, engineer, and construction management services contracts was fair and reasonable in accordance Federal procurement requirements or repay to HUD from non-Federal funds any amounts not supported.	13,333,151
2016-FW-1010	9/30/2016	001-B	We recommend that the Acting Deputy Assistant Secretary for Grant Programs require the State to support or properly obligate \$11,717,288 in unsupported obligations.	11,717,288
2016-NY-1007	3/30/2016	001-A	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reimburse the City's CDBG local bank account for the \$11,532,769 in uncollected program income generated from the disposition of real property previously assisted with CDBG funds, thus ensuring that these funds can be used for eligible activities.	11,532,769
2016-LA-1009	8/26/2016	001-A	Support that the Hibiscus Hill Apartments acquisition was necessary and served the purpose intended and support that the premium paid for the acquisition over the market value was reasonable and that HUD received an adequate value, or repay its CDBG program line of credit \$10,000,000 from non-Federal funds.	10,000,000
2016-NY-0001	9/12/2016	001-D	We recommend that the Director of the Public Housing Financial Management Division obtain adequate supporting documentation of the utility expense level amounts and verify the computation of \$8,993,484 in operating funds is accurate or recapture ineligible amounts.	8,993,484
2016-PH-1008	9/29/2016	001-E	Develop and implement procedures and controls to ensure that program units meet housing quality standards, thereby ensuring that an estimated \$7,576,867 in program funds is spent for units that are decent, safe, and sanitary.	7,576,867

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-PH-0003	7/29/2016	001-C	Direct the applicable lenders to provide evidence that the properties for the 99 FHA-insured loans, which closed after October 1, 2015, but were not included in our sample, had a safe and potable water source at the time the loans closed and were endorsed, or, if the lenders cannot provide this evidence, direct them to perform water testing and any necessary remediation to ensure that the properties have a safe and potable water source, or indemnify HUD against any future loss, thereby putting up to \$7,514,800 to better use.	7,514,800
2017-FO-0003	11/15/2016	008-E	Research grants with no drawdown activity and if a bonafide need no longer exists, close out and deobligate remaining balances on the 16 grants with no drawdown activity totaling \$6,966,585.	6,966,585
2016-NY-1003	2/5/2016	001-E	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to provide documentation in the loan file that HUD approved the withdrawal of funds after the required deadline, and provide an explanation and obtain approval for the untimely disbursement of the \$6,724,820 after it had been drawn down. Any costs determined to be inadequately supported should be reimbursed from non-Federal funds.	6,724,820
2016-LA-1008	8/26/2016	001-D	Provide adequate documentation to support HUD approval for the \$6,340,504 loan between Dolores Frances and Pico Union and how the funds were used or remove the loan and any associated encumbrance from the project.	6,340,504
2016-CH-1005	8/3/2016	001-C	Work with HUD to develop a plan to ensure that energy savings are realized to prevent a potential default on the \$5,869,770 energy conservation loan used to purchase energy conservation equipment attached to the Authority's public housing properties.	5,869,770
2016-BO-1002	6/27/2016	001-E	Provide adequate support that \$5,573,214 (\$866,235 in Capital Fund program and \$4,706,979 in American Recovery and Reinvestment Act funds) was spent for eligible costs. Any amounts that cannot be supported should be repaid to the program from non-Federal funds.	5,573,214

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FW-1006	8/31/2016	001-A	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to develop and implement written procedures and actions that would correct and prevent the deficiencies outlined in the finding to ensure that the Parish adequately supports program participant eligibility. The written procedures and actions should include but not be limited to (1) reviewing and amending the Parish's program policies, documentation checklist, and income calculation worksheet to ensure the consistency of file documentation and eligibility determinations; (2) providing training and assistance to the Parish and its contractors regarding program participant eligibility determinations and documentation requirements; and (3) conducting a final file review before disbursing funds on behalf of program participants to ensure that files have complete documentation, appropriate follow-ups are conducted, and the participant remains eligible for disaster assistance. Implementing this recommendation should better ensure that the Parish spends at least \$5,365,327 in CDBG disaster assistance funds obligated for its disaster assistance programs in accordance with requirements.	5,365,327
2016-PH-0001	6/30/2016	001-A	Direct the New Orleans, LA, field office to enforce its monitoring findings and require the grantee to provide documentation to support costs totaling \$4,959,911 or the grantee must reimburse its program from non-Federal funds for any costs that it cannot support.	4,959,911
2016-PH-1005	8/17/2016	001-B	Provide documentation to show that fees it charged for maintenance services totaling \$4,927,176 were reasonable or reimburse its public housing projects from non-Federal funds for any amount that it cannot support.	4,927,176
2016-LA-1008	8/26/2016	001-E	Provide adequate documentation to support that the \$4,586,471 loan between Dolores Frances and Alliant Tax Credit Fund, LTD, was approved by HUD or remove the loan and any associated encumbrance from the project.	4,586,471
2016-PH-0001	6/30/2016	001-D	Direct the Minneapolis, MN, field office to require the grantee to provide documentation to support the \$4,299,963 in unsupported payments identified or the grantee must reimburse its program from non-Federal funds for any costs that it cannot support.	4,299,963
2016-LA-1006	6/3/2016	001-C	Repay the U.S. Treasury \$2,096,528 (\$1,637,704 in public housing funds and \$458,823 in Housing Choice Voucher program funds) for its ineligible use of Federal funds for payment of debt to the City.	4,193,056

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-0001	9/12/2016	001-A	We recommend that the Director of the Public Housing Financial Management Division determine whether any of the overpayment of \$3,630,286 was ineligible and take appropriate actions to recoup the ineligible payments.	3,630,286
2016-PH-1007	9/27/2016	001-A	Provide documentation to show that prices paid for services and products totaling \$3,028,666 were fair and reasonable or reimburse the applicable program from non-Federal funds for any amount that it cannot support.	3,028,666
2017-FW-1003	12/27/2016	001-D	We recommend that the Director of the Houston Office of Public Housing require the Authority to support or repay \$3,014,541 to its public housing and voucher programs from non-Federal funds for the contractor payments listed in appendix C.	3,014,541
2016-CH-1008	9/29/2016	001-D	Improve its quality control procedures to ensure that all properties in its active inventory comply with its contract with HUD and its own requirements to prevent \$2,532,000 in monthly ongoing property management fees from being spent for properties that are not adequately maintained over the next year.	2,532,000
2016-PH-0003	7/29/2016	001-D	Direct the applicable lenders to provide evidence that the properties for the 28 FHA-insured loans, which closed before October 1, 2015, and were endorsed after October 1, 2015, but were not included in our sample, had a safe and potable water source at the time the loans closed and were endorsed, or, if the lenders cannot provide this evidence, direct them to perform water testing and any necessary remediation to ensure that the properties have a safe and potable water source, or indemnify HUD against any future loss, thereby putting up to \$2,512,464 to better use.	2,512,464
2017-BO-1001	10/12/2016	002-C	Repay to HUD from non-Federal funds the \$2,138,469 in ineligible CDBG-DR funds committed and spent without publishing the required notice of intent and request for release of funds.	2,138,469
2016-NY-1010	9/29/2016	001-C	We recommend that the Director of HUD's Office of Residential Care Facilities instruct project officials to provide documentation to justify \$2,047,444 in unsupported costs. Any costs determined to be ineligible and paid from project funds should be reimbursed by the responsible party to the proper project account from nonproject funds. Any costs determined to be ineligible that were charged but not paid should be removed from the projects' books and accounts.	2,047,444

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1010	9/29/2016	001-B	We recommend that the Director of HUD's Office of Residential Care Facilities instruct project officials to reimburse the proper project account from nonproject funds for any of the \$1,812,777 (\$252,823 + \$1,559,954) in ineligible expenses paid with project funds. Those ineligible expenses that were charged but not paid should be removed from the projects' books and accounts.	1,812,777
2016-BO-1003	6/28/2016	001-C	Provide documentation to support that \$1,807,359 in NSP funds was spent for reasonable, necessary, and supported costs. Any amount for which adequate support cannot be provided should be repaid to the Treasury from non-Federal funds.	1,807,359
2016-PH-0001	6/30/2016	001-E	Direct the Washington, DC, field office to require the grantee to provide documentation to support the \$1,766,778 in unsupported payments identified or the grantee must reimburse its program from non-Federal funds for any costs that it cannot support.	1,766,778
2016-AT-1013	9/13/2016	001-C	Fully implement its procedures to ensure that all program units meet HUD's housing quality standards to prevent \$1,709,556 in program funds from being spent on units that do not comply with HUD's requirements over the next year. The procedures should include but not be limited to ensuring that inspectors consistently conduct accurate and complete inspections.	1,709,556
2016-NY-1007	3/30/2016	001-F	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support the \$1,652,223 in CDBG funds used for developing the 22 affordable townhouses. Any amount determined to be ineligible should be reimbursed to the City's CDBG program line of credit from non-Federal funds.	1,652,223
2016-AT-1013	9/13/2016	002-D	Fully implement its policies and procedures to ensure that its staff complies with HUD regulations and its administrative plan when administering its program to prevent disbursing \$1,607,706 in program funds for improper housing assistance payments over the next year.	1,607,706
2016-FW-1006	8/31/2016	001-D	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to ensure that the Parish supports the cost reasonableness of the grant management contract or repay \$1,534,629 to its CDBG disaster assistance program from non-Federal funds.	1,534,629
2016-NY-1003	2/5/2016	001-G	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to reimburse the \$1,500,000 in CDBG funds spent for the delinquent float loan that defaulted in 1998 through one of the options identified in HUD regulations so that it can be closed out as bad debt, thereby making the funds available for use on other eligible activities.	1,500,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1007	3/30/2016	001-I	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to record the mortgages on the five CDBG-assisted properties that were demolished and acquired with CDBG assistance of \$1,475,674, thus ensuring that these properties are administered in compliance with program requirements.	1,475,674
2017-BO-1002	10/17/2016	001-A	Provide adequate documentation to support that \$1,448,663 in CDBG-DR funds was spent for supported, necessary and reasonable costs. Any amount for which adequate support cannot be provided should be repaid from non-Federal funds.	1,448,663
2016-AT-1010	8/4/2016	001-A	Require the Housing Board to provide support showing that a conflict of interest did not exist between the Mobile Development Enterprises and Superior Masonry or reimburse HUD \$1,241,958 from non-Federal funds.	1,241,958
2016-NY-0001	9/12/2016	001-B	We recommend that the Director of the Public Housing Financial Management Division validate the \$1,191,767 in underpayments and determine if any corrections should be made.	1,191,767
2016-NY-1003	2/5/2016	001-J	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to provide documentation to support that the \$1,166,000 public facilities and improvements procurement contract price was fair and reasonable and that the sole-source method used was justified. Any costs determined not to be fair and reasonable should be reimbursed from non-Federal funds.	1,166,000
2016-NY-1007	3/30/2016	001-C	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen administrative controls to ensure that future Section 108 income of \$1,162,801 will be recorded in IDIS, thus ensuring that these funds can be used for eligible activities.	1,162,801
2016-PH-0001	6/30/2016	001-B	Enforce the Miami, FL, field office's monitoring findings and require the grantee to provide documentation to support costs totaling \$1,161,616 or the grantee must reimburse its program from non-Federal funds for any costs that it cannot support.	1,161,616

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-1012	8/29/2016	001-B	Provide support that \$944,687 (Footnote 2: Emergency funds of more than \$1.1 million drawn between July 1, 2011, and December 31, 2015, were adjusted to consider \$158,800 questioned in recommendation 1C and \$38,164 questioned in recommendation 1D.) in Emergency funds drawn from HUD is reconciled with the accounting records and that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes or reimburse the Emergency programs from non-Federal funds.	944,687
2016-DE-1005	9/28/2016	001-B	Require the Authority to provide support to HUD showing that it received the best value in all instances when it incorrectly awarded a contract based on a faxed bid. For any portion the \$918,766 the Authority cannot support, HUD should require the Authority to repay its HOME and NSP programs from non-Federal funds.	918,766
2016-AT-1009	8/2/2016	001-B	Require the members to provide support or reimburse HUD's FHA insurance fund \$865,142 for unsupported project disbursements.	865,142
2017-NY-1001	11/2/2016	002-C	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs coordinate with the Office of Healthy Homes and Lead Hazard Control to provide technical assistance and instruct City officials to provide supporting documentation that lead-based paint testing was performed, identified hazards were removed, and clearance was achieved for the 41 properties for which homeowners received \$833,199 in CDBG-DR assistance. If supporting documentation is not provided, City officials should repay the \$833,199 from non-Federal funds.	833,199
2016-CH-1004	7/28/2016	001-A	Reimburse its program \$707,091 from non-Federal funds (\$645,509 in housing assistance payments and \$61,582 in associated administrative fees) for the inappropriate payments cited in this finding.	707,091
2016-LA-1006	6/3/2016	001-L	Provide support showing that the \$684,020 charged by the City for general liability coverage was reasonable.	684,020
2016-BO-1003	6/28/2016	001-A	Repay to the Treasury from non-Federal funds the \$666,668 in NSP funds spent for ineligible activity costs and funds that had already been paid by another Federal program.	666,668
2016-BO-1002	6/27/2016	001-F	Provide support for the proper allocation of the \$650,990 in information technology costs charged to the Capital Fund program. Any amounts that cannot be supported should be repaid from non-Federal funds.	650,990

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0003	11/15/2016	008-K	Deobligate all obligations marked for deobligation during the departmentwide open obligations review, including as much as \$384,703 in 27 administrative obligations and \$234,619 in 6 program obligations marked for deobligation as of September 30, 2016.	619,322
2016-LA-1013	9/30/2016	001-A	Support the eligibility of \$605,614 used for unsupported allocated overhead costs charged for the fiscal year ending September 30, 2015, and its current fiscal year through June 30, 2016, or reimburse its administrative fee reserve account using non-Federal funds.	605,614
2016-PH-0003	7/29/2016	001-B	Direct the applicable lenders to provide evidence that the properties for the seven additional FHA-insured loans reviewed, for which the files did not contain evidence of water testing, had a safe and potable water source at the time the loans closed and were endorsed, or, if the lenders cannot provide this evidence, direct them to perform water testing and any necessary remediation to ensure that the properties have a safe and potable water source, or indemnify HUD against any future loss, thereby putting up to \$570,827 to better use.	570,827
2016-CF-1813	9/30/2016	001-A	Acknowledge that the attached settlement agreement for \$510,000 represents an amount due HUD.	510,000
2016-PH-1005	8/17/2016	001-A	Reimburse its public housing projects \$507,800 from non-Federal funds related to the ineligible duplication of the information technology fee.	507,800
2016-CH-1007	9/28/2016	001-A	Reimburse its program \$497,668 (\$453,995 in housing assistance payments + \$43,673 in associated administrative fees) from non-Federal funds for the inappropriate payments cited in this finding.	497,668
2016-CH-1006	8/23/2016	001-A	Support or reimburse its program \$496,585 from non-Federal funds (\$467,426 + \$444 in housing assistance payments + \$28,715 in administrative fees) for the missing eligibility documentation and unsupported housing assistance payments.	496,585
2016-BO-1002	6/27/2016	001-K	Provide support showing that the contracts for which \$488,150 (\$216,142 and \$272,008 for legal services and public relations services, respectively) was paid were procured at the most competitive and best price and the costs paid were necessary and reasonable. Any unnecessary or unreasonable costs should be repaid from non-Federal funds to the program(s) that paid the costs.	488,150

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1002	11/22/2016	001-A	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to provide documentation showing that the \$474,571 in identified procurements was reasonable or repay any amounts not supported from non-Federal funds.	474,571
2017-BO-1002	10/17/2016	001-B	Obtain adequate support to document the reasonableness and necessity of \$472,246 or reprogram the funds to other allowable activities, thus ensuring that the funds will be put to their intended use.	472,246
2016-CH-1005	8/3/2016	001-A	Support or reimburse its program \$964,365 (\$619,750 + \$344,615) from non-Federal funds for the unsupported procurement and contracting cited in this finding.	463,885
2017-KC-1001	12/16/2016	002-B	Require Majestic Management to provide support that \$462,281 paid for procurements was reasonable or reimburse the appropriate projects for the balance.	462,281
2017-KC-1001	12/16/2016	001-B	Provide documentation to support that it paid itself \$447,345 for eligible purposes or reimburse the appropriate projects for the balance.	447,345
2016-NY-1007	3/30/2016	001-H	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to record the mortgage on the CDBG-assisted rental property that was rehabilitated or reimburse the \$426,296 from non-Federal funds to the City's CDBG program line of credit, thus ensuring that the funds are put to their intended use.	426,296
2016-SE-1801	9/12/2016	001-A	Acknowledge that the attached settlement agreement for \$425,000 represents an amount due HUD.	416,145
2016-NY-1007	3/30/2016	002-C	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to record the receipt and expense of \$397,031 in the City's accounting records and correctly classify the amount in IDIS to show the use of the City's CDBG funds for repayment of a guaranteed Section 108 loan, thus ensuring that the funds were put to their intended use.	397,031
2016-FW-1001	3/21/2016	001-C	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support that project 3, to build a bike path along the Mississippi River, met a national objective or repay \$396,836 to its CDBG program from non-Federal funds.	396,836

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-1006	6/17/2016	001-A	Reimburse HUD for \$379,547 in ineligible costs related to activities 831 and 843 from non-Federal funds.	379,547
2016-AT-1006	6/17/2016	001-B	Provide supporting documentation or reimburse its program for \$362,723 in unsupported expenditures related to activities 831, 747, and 800 from non-Federal funds.	362,723
2016-AT-1008	7/19/2016	001-A	Support the cost reasonableness of the nine contracts or reimburse \$408,958 to the appropriate Operating Fund, Capital Fund, and Housing Choice Voucher programs from non-Federal funds.	352,228
2016-FW-1001	3/21/2016	001-A	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support that project 1, to recruit and train low-income persons for construction jobs in the Baton Rouge area, met a national objective or repay \$338,176 to its CDBG program from non-Federal funds.	338,176
2016-FW-1001	3/21/2016	002-A	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to Support the cost reasonableness of the 64 housing rehabilitation contracts or repay \$677,948 to its CDBG program from non-Federal funds.	320,911
2017-BO-1001	10/12/2016	001-B	Repay to HUD from non-Federal funds the \$316,850 in payments made for services outside the scope of the seven contracts.	316,850
2016-DE-1005	9/28/2016	001-A	Require the Authority to provide support to HUD showing the necessity of drug testing every house and that the Authority received the best value for amounts spent on testing and remediation. For any portion the \$315,166 the Authority cannot support, HUD should require the Authority to repay its HOME and NSP programs from non-Federal funds.	315,166

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FW-1004	7/27/2016	001-A	We recommend that the Acting Director of the HUD Southwest Region Office of Multifamily Housing Programs require the Corporation to develop and implement a HUD-approved written plan and checklists that will correct the project's physical condition and other deficiencies outlined in the finding and prevent a recurrence of such issues to ensure compliance with HUD requirements. The written plan should include actions to (1) obtain a fully functioning board and operate in compliance with the Corporation's bylaws and any HUD requirements, (2) correct all hazardous and unsafe physical deficiencies, including those cited in the February 2016 REAC inspection; (3) revise its operating budget to ensure the most economical use of funds and that the project income covers operating expenses; (4) establish written board-approved policies and procedures; and (5) obtain HUD-approved training for management and the Corporation's board regarding their roles and responsibilities. The checklists should include systems and procedures to ensure that the Corporation meets all requirements, including but not limited to fully funding its reserve fund for replacements, spending funds for eligible costs, and submitting all required forms and documents. Implementing this recommendation should better ensure that the Corporation spends and better manages at least \$314,184 in housing subsidies that it is set to receive in the next 12 months in accordance with requirements.	314,184
2016-LA-1011	9/12/2016	001-B	Indemnify HUD against potential losses of \$304,871 for the three loans that did not comply with FHA underwriting requirements (appendix E).	304,871
2016-PH-1009	9/30/2016	001-C	Provide documentation to show that \$2,377,970 disbursed for other direct costs was supported and was for prices that were fair and reasonable or repay HUD from non-Federal funds any amount that it cannot support (excluding any amount repaid as a result of recommendation 1B).	303,004
2016-AT-1006	6/17/2016	001-C	Recapture the remaining balance of \$300,278 allocated to the stalled Barclay Apartment activity 843.	300,278
2016-NY-1006	3/29/2016	002-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to immediately recapture more than \$300,000 in CDBG-DR funds disbursed to 35 businesses that was subject to full or partial recapture, thus ensuring that these funds will be put to their intended use.	300,000
2016-LA-1008	8/26/2016	001-A	Stop the practice of disbursing the monthly social service fee to the general partner and reimburse the project for \$300,000 in ineligible social service fees from non-Project funds.	300,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-DE-1802	9/12/2016	001-A	Acknowledge that the attached settlement agreement for \$1,032,715 represents an amount due HUD.	300,000
2016-PH-1006	8/31/2016	001-A	Provide documentation to support program accomplishment data related to disbursements totaling \$292,611 or repay HUD from non-Federal funds for any amount that it cannot support.	292,611
2016-NY-1003	2/5/2016	001-C	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to provide documentation to justify the \$291,236 in unsupported costs related to disbursements made to the City's public services subrecipient. Any costs determined to be inadequately supported should be reimbursed from non-Federal funds.	291,236
2016-LA-1007	8/17/2016	001-A	Obtain written agreements and support the eligibility of \$284,649 in unsupported costs or repay the program using non-Federal funds.	284,649
2016-NY-1006	3/29/2016	001-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to reimburse the line of credit for \$272,459 in CDBG-DR funds disbursed to four businesses for ineligible costs from non-Federal funds.	272,459
2016-PH-0002	7/23/2016	001-B	Require Ginnie Mae to improve its procurement and contract administration processes to ensure that it follows all applicable requirements, thereby putting up to \$259,008 to better use.	259,008
2016-BO-1003	6/28/2016	001-G	Provide a plan for the completion within acceptable timeframes of the five unfinished properties or cancel the activities and deobligate and reprogram the \$254,183 in funds to other allowable activities, thus ensuring that the funds will be put to their intended use.	254,183
2016-CH-1006	8/23/2016	001-H	Implement procedures and controls to ensure that housing assistance is correctly calculated and paid and that repayment agreements are created to recover overpaid housing assistance when unreported income is discovered during the examination process to ensure that \$250,500 in overpayment of program funds is appropriately used for future payments.	250,500
2016-PH-1009	9/30/2016	001-D	Provide documentation to support \$516,560 disbursed for wages and salaries charged to its programs by its contractor's employees or repay HUD from non-Federal funds any amount that it cannot support.	244,612
2017-KC-1001	12/16/2016	002-A	Require Majestic Management to reimburse the appropriate projects their portion of \$231,091 for work not completed or overbilled.	231,091

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-1007	6/22/2016	001-A	Provide supporting documentation or reimburse its program for \$227,587 in unsupported expenditures from non-Federal funds.	227,587
2016-NY-1002	1/7/2016	001-A	We recommend that the Director of the HUD's Buffalo Office of Community Planning and Development instruct City officials to provide documentation to adequately support that \$70,538 disbursed and \$150,000 obligated were for eligible costs. Any costs determined to be ineligible should be reimbursed from non-Federal funds.	220,538
2017-CH-0001	10/25/2016	001-A	Deobligate the \$1,247,153 in proceeds from initial sales associated with program grants and undisbursed program and capital funds, and coordinate with HUD's Office of the Chief Financial Officer to ensure that the proceeds are remitted to the U.S. Treasury.	219,372
2016-SE-1002	6/23/2016	002-A	Provide cost justifications for the six service contracts by obtaining written cost estimates from at least three contractors for each contract and reimburse the property's operating account from non-project funds up to \$219,309 for any amounts that are unreasonable.	219,309
2016-PH-0003	7/29/2016	001-A	Direct the applicable lenders to provide evidence that the properties for the four FHA-insured loans reviewed, which had lead and copper levels above the EPA action level, had a safe and potable water source at the time the loans closed and were endorsed, or, if the lenders cannot provide this evidence, direct them to perform water testing and any necessary remediation to ensure that the properties have a safe and potable water source, or indemnify HUD against any future loss, thereby putting up to \$215,571 to better use.	215,571
2016-BO-1003	6/28/2016	001-L	Provide support showing that \$212,496 in program funds was remitted to the State and reallocated to eligible NSP activities and that any additional program income owed by the developer has been remitted.	212,496
2016-AT-1012	8/29/2016	001-C	Reimburse \$189,227 to the Emergency programs from non-Federal funds for ineligible charges made to the programs.	189,227
2017-NY-1001	11/2/2016	002-B	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs coordinate with the Office of Healthy Homes and Lead Hazard Control to provide technical assistance and instruct City officials to document the negative lead test results in CMS for one home and the removal of identified lead hazards and lead clearance reports for four homes, thus ensuring that \$182,660 in CDBG-DR assistance was disbursed for lead-safe homes. If the negative test results are not documented, City officials should repay the \$182,660 from non-Federal funds.	182,660

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1012	9/30/2016	001-A	Support the reasonableness of \$181,290 (\$97,290 + \$84,000) paid for the two contracts (contract numbers 1697 and 1707) that did not have adequate cost estimates or reimburse its Capital Fund program from non-Federal funds.	181,290
2016-AT-1009	8/2/2016	001-A	Require the members to reimburse HUD's FHA insurance fund \$181,020 for the ineligible distributions to the members.	181,020
2016-LA-1006	6/3/2016	001-I	Provide documentation to support that \$180,000 spent on office rent was reasonable or repay its public housing program from non-Federal funds.	180,000
2016-CH-1012	9/30/2016	001-D	Support that contract modifications totaling \$179,949 for two contracts (contract numbers 1702 and 1724) were reasonable. The amount that cannot be shown to be reasonable should be reimbursed to its Capital Fund program from non-Federal funds.	179,949
2016-AT-1013	9/13/2016	003-A	Reimburse its program \$153,593 from non-Federal funds for the \$129,558 in housing assistance payments made and \$24,035 in administrative fees received for the payments made to Brick Capital Community Development Corporation on the expired contract.	153,593
2016-NY-1006	3/29/2016	001-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to provide adequate documentation to justify \$152,703 in CDBG-DR funds disbursed to six businesses. If any amount cannot be adequately supported, it should be reimbursed from non-Federal funds to the State's line of credit.	152,703
2017-FO-0003	11/15/2016	008-J	Deobligate the \$152,211 in 108 administrative obligations marked for deobligation during the departmentwide open obligations review.	152,211
2016-NY-1007	3/30/2016	001-E	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support whether \$148,000 in CDBG program income was generated from the disposition of real properties acquired with CDBG funds so that HUD can determine eligibility. Any recognized program income should be reimbursed to the City's local bank account and recorded in IDIS, thus ensuring that these funds can be put to better use.	148,000
2016-SE-1004	9/12/2016	001-A	Provide support for the \$132,759 in assistance that was based on the missing tenant files and reimburse HUD for the amount that remains unsupported.	132,759

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1007	9/28/2016	002-A	Determine the amount of the \$128,228 in coordinator grant funds that was earned by the Authority for meeting program requirements. The funds that are determined to be unearned should be reimbursed to HUD from non-Federal funds.	128,228
2016-NY-0001	9/12/2016	001-H	We recommend that the Director of the Public Housing Financial Management Division obtain accurate data from the PHAs and recalculate the calendar year 2014 operating subsidy for the project, which was mistakenly awarded based on other projects' utility expense level data. If the eligible amount is less than \$124,788, the difference should be recaptured.	124,788
2016-BO-1003	6/28/2016	001-D	Provide documentation that \$123,108 in NSP funds paid to two developers for administrative expenses was supported and that work performed was completed in accordance with their contracts. Any amount for which adequate support cannot be provided should be repaid to the Treasury from non-Federal funds.	123,108
2016-NY-0001	9/12/2016	001-F	We recommend that the Director of the Public Housing Financial Management Division recapture the overpayment of \$116,218 disbursed for the units, which exceeded the PHAs' Faircloth limit.	116,218
2016-LA-1008	8/26/2016	001-C	Reimburse the project from non-Project funds for \$114,068 in ineligible legal fees.	114,068
2016-NY-1002	1/7/2016	001-D	We recommend that the Director of the HUD's Buffalo Office of Community Planning and Development instruct City officials to spend program income of \$113,733 on eligible CDBG activities before drawing down additional CDBG entitlement funds, thus ensuring that these funds are put to better use.	113,733
2016-SE-1002	6/23/2016	003-A	Provide supporting documents for the \$112,064 in unsupported disbursements and repay the project operating account from non-project funds for any amounts that remain unsupported.	112,064
2016-PH-1006	8/31/2016	001-B	Provide documentation to support salary and fringe benefit costs totaling \$109,248 or repay HUD from non-Federal funds for any amount that it cannot support.	109,248
2016-AT-1007	6/22/2016	001-B	Reimburse its line of credit for \$108,563 in ineligible costs from non-Federal funds.	108,563
2016-AT-1005	5/10/2016	001-A	Reimburse the program \$108,390 from non-Federal funds for housing assistance payments (\$100,214) and administrative fees received (\$8,176) for the 40 units that materially failed to meet HUD's and its own housing quality standards.	108,390

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-SE-1001	3/9/2016	001-C	Perform all past-due reexaminations and determine the correct amount of housing assistance due to Homewood Terrace since April 1, 2015, for the 22 members who did not receive timely reexaminations and adjust the next request for assistance to account for these corrections. By implementing this recommendation, \$105,324 in housing assistance payments will be better used in the next year by providing the correct amount of assistance to families.	105,324
2016-DE-1005	9/28/2016	002-A	Require the Authority to provide support justifying the reasonableness and necessity of all travel to conferences and trainings over the 31-month period reviewed. For any portion of the \$102,563 in travel costs that HUD determines to be unreasonable, HUD should require the Authority to repay its HOME and NSP programs with non-Federal funds.	102,563
2017-NY-1001	11/2/2016	001-D	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to reimburse \$101,398 in additional grants owed to the 11 homeowners whose grant amounts should have been materially increased as a result of recalculated duplication of benefits.	101,398
2016-SE-1002	6/23/2016	001-A	Reimburse the project \$101,282 from non-project funds (\$4,706 for unauthorized distributions and \$96,576 for unauthorized repayments of loan advances) and if necessary, make prior-period adjustments to the financial statements to disclose the information in accordance with generally accepted accounting principles.	101,282
2016-NY-1007	3/30/2016	002-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reimburse the City's CDBG program line of credit for \$100,982, which was used to pay costs that had been paid with CDBG program income, thus ensuring that these funds can be used for eligible activities.	100,982
2016-LA-1010	8/29/2016	001-B	Indemnify HUD against potential losses of \$97,937 for one loan that did not comply with HUD underwriting requirements (048-7976048).	97,937
2016-BO-1002	6/27/2016	001-C	Repay the programs from non-Federal funds the \$97,330 spent for the unallowable costs of scanning and storing records, accounting and financial software licenses, and iPads.	97,330
2016-LA-1008	8/26/2016	001-B	Reimburse the project \$92,962 from non-Project funds for ineligible consulting fees (\$74,784) and supervising fees (\$18,178).	92,962
2016-CF-1810	9/29/2016	001-A	Acknowledge that the attached settlement agreement for \$91,377 represents an amount due HUD.	91,377

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0003	11/15/2016	008-L	Deobligate the \$85,782 in 5 administrative obligations marked for deobligation during the departmentwide open obligations review.	85,782
2017-FO-0003	11/15/2016	008-H	Deobligate the \$83,501 in 124 administrative obligations marked for deobligation during the departmentwide open obligations review.	83,501
2016-CH-1006	8/23/2016	002-A	Take the appropriate actions to resolve the income discrepancies and pursue collection from the applicable households or reimburse its program \$75,619 (\$66,236 in housing assistance payments + \$9,383 in administrative fees) from non-Federal funds for the overpayment of housing assistance cited in this finding.	75,619
2016-AT-1013	9/13/2016	001-A	Reimburse its program \$74,210 from non-Federal funds for the \$65,430 in housing assistance payments and \$8,780 in administrative fees received for the 37 units that failed to meet HUD's housing quality standards.	74,210
2016-AT-1011	8/5/2016	001-F	Support or indemnify HUD for one active modified loan agreement with unpaid balance of \$138,790 (Footnote 9: Fifty percent loss severity rate is applied to the unpaid principal balance of \$138,790 for funds to be put to better use. See appendix A.) for which the Authority did not have adequate support for the borrower's verifiable loss of income or increase in living expenses.	69,395
2016-CH-1006	8/23/2016	001-F	Reimburse its program \$63,542 from non-Federal funds (\$51,536 in housing assistance overpayments + \$9,236 + \$2,770 in associated administrative fees) for the inappropriate payments.	63,542
2016-BO-1002	6/27/2016	001-J	Provide documentation for the \$61,804 in unaccounted for inventory. If the items cannot be accounted for, repayment should be made to the Authority's low-rent program from non-Federal funds.	61,804
2016-LA-1006	6/3/2016	001-E	Repay its public housing program from non-Federal funds \$60,000 plus any additional payments made to the City for the management and performance audit initiated by the City.	60,000
2016-LA-1006	6/3/2016	001-J	Renegotiate its \$60,000 per year office space rent to ensure that the Authority obtains a fair market price for the reduced space.	60,000
2016-CH-1012	9/30/2016	001-E	Support that the contract modification totaling \$59,620 for contract number 1724 was reasonable. The amount that cannot be shown to be reasonable should be deobligated under its Capital Fund program.	59,620

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1006	8/23/2016	003-D	Transfer \$55,297 in forfeitures from its program account to its Housing Choice Voucher program account.	55,297
2016-AT-1009	8/2/2016	001-C	Require the members to reimburse HUD's FHA insurance fund \$53,885 for the ineligible project disbursements.	53,885
2016-LA-1006	6/3/2016	001-D	Reverse the debt of \$53,347 for duplicate charges to the Authority's public housing programs included in the indirect cost allocation plan that were included in the rent allocation and review the indirect cost allocation for additional duplicate charges.	53,347
2016-AT-1011	8/5/2016	001-C	Indemnify HUD for two active modified loan agreements with total unpaid balance of \$102,241 (Footnote 8: Fifty percent loss severity rate is applied to the unpaid principal balance of \$102,241 for funds to be put to better use. See appendix A.) that were not eligible for FHA-HAMP due to a failure to successfully complete the trial payment plans.	51,121
2017-KC-1001	12/16/2016	003-B	Provide documentation to support that \$48,891 was spent for eligible purposes or reimburse the appropriate projects for the balance.	48,891
2016-LA-1007	8/17/2016	002-A	Repay the program for \$48,611 in ineligible costs using non-Federal funds.	48,611
2016-PH-1008	9/29/2016	001-B	Reimburse its program \$44,887 from non-Federal funds (\$44,584 for housing assistance payments and \$303 in associated administrative fees) for the 15 units that materially failed to meet HUD's housing quality standards.	44,887
2016-CH-1012	9/30/2016	001-B	Support the reasonableness of \$44,452 (\$246,112 - \$201,660) paid in excess of the independent cost estimate for contract number 1698 or reimburse its Capital Fund Financing program from non-Federal funds.	44,452
2016-LA-1007	8/17/2016	001-B	Revise or reclassify the national objective for the \$38,165 in questioned costs used for the solar panel project or repay the program using non-Federal funds.	38,165
2016-AT-1012	8/29/2016	001-D	Submit supporting documentation showing the eligibility, reasonableness, and allocability of \$38,164 charged to the Emergency programs for unsupported drawdowns and equipment cost allocations or reimburse the programs from non-Federal funds.	38,164
2016-FW-1006	8/31/2016	001-G	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to ensure that the Parish provides documentation detailing the number of hours worked for each disaster assistance program or repay \$37,450 to its CDBG disaster assistance program from non-Federal funds.	37,450

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1006	8/23/2016	003-G	Support or reimburse its program bank account \$36,038 from its Housing Choice Voucher program bank account for the withdrawal to force balance the program bank account.	36,038
2016-SE-1004	9/12/2016	001-C	Provide support for the \$35,890 in assistance that was based on the unperformed or missing annual recertifications and reimburse HUD for the amount that remains unsupported.	35,890
2016-CH-1012	9/30/2016	001-C	Support that \$34,928 (\$229,123 - \$194,195) paid in excess of the independent cost estimate for contract number 1702 was reasonable or deobligate the funds.	34,928
2017-BO-1001	10/12/2016	002-F	Support or repay to HUD from non-Federal funds \$32,398 in duplicative assistance provided to program applicants.	32,398
2017-NY-1001	11/2/2016	001-C	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to repay the Program from non-Federal funds \$32,107 in overpaid grants to homeowners whose grant amounts (1) were not revised to show recalculated duplication of benefits and (2) exceeded the Program's 60 percent reimbursement rate.	32,107
2016-FW-0001	3/30/2016	002-F	We recommend that the Deputy Secretary require the Chief Financial Officer to support or require employers to repay \$49,989 in overpayments on IPA agreements.	31,066
2016-NY-1007	3/30/2016	001-P	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support the income eligibility of the homeowner who received \$30,600 in CDBG funds related to the rebate program. If documentation cannot be provided, the City's CDBG program line of credit should be reimbursed \$30,600 from non-Federal funds.	30,600
2016-BO-1003	6/28/2016	001-B	Justify the reasonableness of or repay to the Treasury from non-Federal funds the \$29,106 in NSP funds spent for unreasonable activity costs.	29,106
2017-NY-1001	11/2/2016	002-E	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs coordinate with the Office of Healthy Homes and Lead Hazard Control to provide technical assistance and instruct City officials to reconcile the discrepancy in the lead test results. If it is determined that the home tested positive for a lead-based paint hazard, City officials should provide supporting documentation showing that the hazard has been removed and the home has achieved clearance, thus ensuring that \$29,019 in CDBG-DR assistance was disbursed for a lead-safe home. If the lead test results are not reconciled and the lead safety of the home is not documented, City officials should repay the \$29,019 from non-Federal funds.	29,019

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-1014	9/30/2016	001-A	Reimburse its program \$28,199 (\$19,771 + \$7,793 + \$635) from non-Federal funds for the overpayment of housing assistance and ineligible administrative fees it received for the deficiencies cited in this report.	28,199
2017-FW-1001	12/12/2016	001-B	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to support or repay its Capital Fund program from non-Federal funds \$28,000 for work completed without a valid contract.	28,000
2016-PH-1803	9/9/2016	001-A	Acknowledge that the attached judgment and repayment agreement for \$24,500 represents an amount due HUD.	24,000
2016-AT-1013	9/13/2016	002-A	Reimburse its program \$22,967 from non-Federal funds for the \$20,111 in housing assistance payments and \$2,856 in administrative fees received for the 51 ineligible housing assistance payments missing housing assistance payments contracts.	22,967
2016-NY-1007	3/30/2016	001-Q	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide a registered mortgage for the homeowner property assisted with \$21,195 in CDBG funds. If a registered mortgage cannot be provided, the City's CDBG program line of credit should be reimbursed \$21,195 from non-Federal funds.	21,195
2016-CH-1008	9/29/2016	001-B	Reimburse HUD \$19,425 in ineligible monthly ongoing property management fees for the 105 properties that contained property preservation and protection deficiencies.	19,425
2016-CH-1006	8/23/2016	001-I	Pursue collection from the applicable households or reimburse its program \$18,718 from non-Federal funds for the overpayment of housing assistance due to unreported or underreported income.	18,718
2017-KC-1001	12/16/2016	001-A	Provide support showing that \$17,414 in management fees charged to the projects using a budgeted amount represented actual amounts or repay the difference to each affected project.	17,414
2016-PH-1003	5/24/2016	001-C	Require the City to provide documentation for two activities, with draws totaling \$14,900, to show that it conducted an environmental review or repay its program from non-Federal funds any amount that it cannot support.	14,900
2016-LA-1007	8/17/2016	001-C	Support the eligibility of \$11,960 in unsupported costs or repay the program using non-Federal funds.	11,960
2016-AT-1009	8/2/2016	001-D	Require the members to reimburse HUD's FHA insurance fund \$11,587 for the unreasonable nonsufficient funds and overdraft charges.	11,587

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-1001	12/16/2016	003-A	Reimburse the appropriate projects their portion of \$11,184 that it charged for ineligible items.	11,184
2016-NY-1007	3/30/2016	001-R	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reimburse \$9,730 from non-Federal funds to the City's CDBG program line of credit for the ineligible homeowner rehabilitation assistance provided that exceeded the subsidy limit.	9,730
2016-CH-1007	9/28/2016	002-D	Reimburse its program \$9,506 from non-Federal funds for the incorrect escrow account disbursements.	9,506
2016-CH-1004	7/28/2016	002-A	Support or reimburse its program \$9,382 from non-Federal funds (\$8,216 + \$276 in unsupported housing assistance payments + \$614 + \$276 in associated unsupported administrative fees + \$185 in unsupported expenditures) for the missing eligibility documentation, unsupported payments of housing assistance, and unsupported program expenditures cited in this finding.	9,382
2017-FW-1001	12/12/2016	001-E	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to reimburse its Capital Fund program with the \$9,117 of insurance proceeds for the roof repairs.	9,117
2016-CH-1006	8/23/2016	003-C	Support or reimburse its Housing Choice Voucher program \$8,223 for the unsupported escrow balances cited in this finding.	8,223
2016-AT-1008	7/19/2016	001-B	Reimburse \$7,851 spent on ineligible expenses to the appropriate Operating Fund and Housing Choice Voucher programs from non-Federal funds.	7,851
2016-SE-1002	6/23/2016	003-C	Provide support showing that the project was entitled to the \$7,378 from the security deposit account or reimburse the security deposit account from the operating account for any amounts to which the project was not entitled.	7,378
2016-PH-1006	8/31/2016	001-C	Repay HUD \$6,850 from non-Federal funds for the ineligible training costs that were not approved in advance.	6,850
2016-SE-1003	9/12/2016	001-A	Provide support for the \$6,804 in housing assistance that was based on the unverified income and reimburse HUD any amount that remains unsupported.	6,804
2016-SE-1002	6/23/2016	004-A	Reimburse HUD \$6,118 for ineligible housing assistance payments.	6,118
2016-SE-1001	3/9/2016	001-B	Repay HUD from non-Federal funds the \$5,928 in ineligible housing assistance received after April 1, 2015, that was based on past-due annual reexaminations.	5,928

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1006	8/23/2016	001-K	Pursue collection from the applicable landlords or reimburse its program \$7,354 (of which \$5,891 had not been collected or reimbursed) from non-Federal funds for the duplicate housing assistance payments.	5,891
2016-DE-1005	9/28/2016	002-B	Require the Authority to provide support for the unreasonable amount of hotel costs above the local per diem rate. For any portion of the \$22,083 in unreasonable costs (\$16,386 of which is included in costs identified in recommendation 2A) that the Authority cannot support, HUD should require the Authority to repay its HOME and NSP programs with non-Federal funds.	5,697
2017-BO-1001	10/12/2016	002-E	Repay HUD from non-Federal funds \$5,056 in ineligible duplicative assistance provided to program applicants.	5,056
2016-SE-1002	6/23/2016	003-B	Repay the project \$4,587 from non-project funds for the costs that were not necessary for the operation or maintenance of the project.	4,587
2016-PH-0001	6/30/2016	001-F	Direct the Washington, DC, field office to require the grantee to repay its program \$4,214 from non-Federal funds for the ineligible costs associated with activity 1515.	4,214
2016-BO-1003	6/28/2016	001-J	Repay to the Treasury from non-Federal funds the \$4,110 disbursed for properties in excess of the required discount.	4,110
2016-PH-1802	9/9/2016	001-A	Acknowledge that the attached settlement agreement for \$7,000 represents an amount due HUD.	4,000
2016-AT-1008	7/19/2016	001-C	Provide adequate support for disbursements or reimburse \$3,588 to the appropriate Operating Fund and Housing Choice Voucher programs from non-Federal funds.	3,588
2016-PH-1006	8/31/2016	001-D	Repay HUD \$3,400 from non-Federal funds for the ineligible payments made to the public housing resident.	3,400
2017-NY-1003	12/14/2016	002-B	We recommend that the Director of HUD's Buffalo Office of Public Housing instruct Town officials to continue collection efforts from the tenant on the repayment agreement for \$3,393 in ineligible costs for the overpayment of the rental subsidy.	3,393
2016-AT-1013	9/13/2016	002-B	Support or reimburse its program \$3,092 from non-Federal funds for the \$2,756 in housing assistance payments and \$336 in administrative fees received for the six unsupported housing assistance payments missing deeds, utility allowance determinations, and inspection reports.	3,092

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-SE-1001	3/9/2016	001-D	For the member whose October 1, 2015, reexamination relied on unverified income information, determine the appropriate housing assistance payment amount for that reexamination date by verifying and supporting the member's income at that time, reimburse HUD up to \$3,087 for any amount that remains unsupported, and adjust the next request for assistance to account for the appropriate amount.	3,087
2016-NY-1002	1/7/2016	001-C	We recommend that the Director of the HUD's Buffalo Office of Community Planning and Development instruct City officials to reprogram unexpended funds of \$2,516 on a subgrantee agreement that expired June 30, 2015, for use by other eligible CDBG activities so that these funds are put to better use.	2,516
2016-PH-1006	8/31/2016	001-F	Develop and implement controls to ensure that it complies with applicable program requirements, thereby putting \$2,444 in unspent training funds from one grant to better use.	2,444
2016-CH-1004	7/28/2016	002-C	Reimburse its program \$2,360 from non-Federal funds for the ineligible expenditures.	2,360
2016-CH-1008	9/29/2016	001-C	Reimburse HUD \$2,314 for the ineligible monthly ongoing property management fees received for services not performed.	2,314
2016-CH-1004	7/28/2016	002-E	Reimburse the appropriate landlords and households \$2,252 (\$1,650 + \$565+\$37) from program funds for inappropriate charges of administrative service fees.	2,252
2016-DE-1005	9/28/2016	002-C	Require the Authority to provide support justifying the necessity of the weekend travel that occurred. For any portion of the \$2,134 in weekend travel costs that HUD determines to be unsupported, HUD should require the Authority to repay its HOME and NSP programs with non-Federal funds.	2,134
2016-CH-1007	9/28/2016	002-B	Transfer \$30,842 (of which \$2,098 remains to be transferred) from its Family Self-Sufficiency program account to its Housing Choice Voucher program account for the overfunded escrows cited in this finding.	2,098
2016-CH-1012	9/30/2016	001-F	Reimburse the U. S. Treasury from its capital fund account \$1,945 charged to the incorrect budget line item in HUD's system.	1,945
2016-PH-1009	9/30/2016	001-E	Provide documentation to support \$11,268 disbursed for travel or repay HUD from non-Federal funds any amount that it cannot support.	1,838
2016-CH-1007	9/28/2016	002-E	Support or reimburse its program \$1,812 from non-Federal funds for the unsupported escrow account disbursements.	1,812

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1004	7/28/2016	002-B	Pursue collection from the applicable household or reimburse its program \$1,112 from non-Federal funds for the overpayment of housing assistance due to unreported income.	1,112
2016-AT-1014	9/30/2016	001-B	Reimburse the three households \$1,010 from program funds for housing assistance underpayments.	1,010
2016-CH-1006	8/23/2016	003-H	Support or reimburse its Housing Choice Voucher program bank account for the \$1,000 deposit to the program escrow bank account cited in this finding.	1,000
2016-CH-1006	8/23/2016	001-C	Reimburse the appropriate household \$936 from non-Federal funds for the rent amount paid in excess of 40 percent of the adjusted monthly income for the unit that was not affordable.	936
2016-SE-1002	6/23/2016	004-B	Reimburse the overcharged tenant \$792.	792
2016-CH-1006	8/23/2016	001-M	Reimburse the appropriate households \$748 from program funds for inspection fees cited in this finding.	748
2016-SE-1003	9/12/2016	001-C	Reimburse the three tenants who overpaid rent by \$714. If HUD agrees to reimburse Solace for the \$714 in underpaid assistance, Solace could use these funds to reimburse the tenants.	714
2016-CH-1006	8/23/2016	001-G	Reimburse the appropriate households \$623 from program funds for the underpayment of housing assistance.	623
2016-SE-1003	9/12/2016	002-A	Require Solace to reimburse HUD the \$584 it paid in post-move-out assistance for four tenants.	584
2016-SE-1003	9/12/2016	001-B	Reimburse HUD the \$320 in overcharged housing assistance.	320
2016-SE-1004	9/12/2016	001-B	Provide support for the \$248 in assistance that was based on the unsupported hardship exemptions and reimburse HUD for the amount that remains unsupported.	248
2016-SE-1002	6/23/2016	005-C	Reimburse its operating account \$161 from non-project funds for ineligible insufficient funds fees.	161
2016-NY-1007	3/30/2016	001-S	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reimburse \$83 from non-Federal funds to the City's CDBG program line of credit for disbursements made for the two contracts exceeding 10 percent of the cost estimate.	83
2016-CH-1007	9/28/2016	002-C	Transfer \$261 (of which \$11 remains to be transferred) from its Housing Choice Voucher program account to its Family Self-Sufficiency program account for the underfunded escrows cited in this finding.	11

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1002	1/7/2016	001-B	We recommend that the Director of the HUD's Buffalo Office of Community Planning and Development instruct City officials to strengthen monitoring procedures for CDBG-funded subgrantees to ensure compliance with program requirements.	0
2016-NY-1002	1/7/2016	001-E	We recommend that the Director of the HUD's Buffalo Office of Community Planning and Development instruct City officials to implement procedures to ensure that program income received by subgrantees is properly reported in HUD's integrated Disbursement and Information System and spent before funds are drawn down from the U.S. Treasury.	0
2016-NY-1002	1/7/2016	001-F	We recommend that the Director of the HUD's Buffalo Office of Community Planning and Development instruct City officials to strengthen subgrant procedures to ensure that all required documents are received, explanations are obtained when prior performance does not meet goals, and subgrants are executed in a timely manner.	0
2016-NY-1003	2/5/2016	001-B	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to strengthen disbursement controls to ensure that CDBG funds are drawn down to reimburse only eligible costs.	0
2016-NY-1003	2/5/2016	001-D	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to strengthen procedures to ensure that all costs claimed for CDBG reimbursement are adequately supported by documentation before funds are disbursed.	0
2016-NY-1003	2/5/2016	001-F	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to strengthen controls to ensure compliance with Section 108 contract provisions and regulations requiring disbursement of funds in a timely manner after drawdown.	0
2016-NY-1003	2/5/2016	001-H	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to implement procedures to ensure that any future CDBG float-funded activities are administered in accordance with HUD regulations requiring that the annual action plan identify the float-funded activity and a commitment to undertake one of the options listed in the regulations if the funds are unable to be repaid within the required timeframe.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1003	2/5/2016	001-I	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to develop and implement procedures to ensure that the City's liens related to HUD-funded loans are not released without repayment or evidence of due diligence to address delinquent, outstanding loans.	0
2016-NY-1003	2/5/2016	001-K	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to implement procedures to ensure that all HUD-funded procurement is performed in accordance with regulations at 24 CFR 85.36, which require that sealed bid procurements be adequately advertised and involve at least two bids and that independent estimates be documented before bids or proposals are received.	0
2016-NY-1003	2/5/2016	001-L	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to strengthen procedures over subrecipient monitoring to ensure that onsite visits are conducted for all CDBG subrecipients annually as specified in the agreements and that monitoring efforts are adequately tracked.	0
2016-NY-1003	2/5/2016	001-M	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to request CDBG program training from the HUD Office of Community Planning and Development field office relating to Section 108 and float loan administration, drawdown and disbursement of funds in a timely manner, and federal procurement regulations.	0
2016-NY-1801	2/11/2016	001-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to collect and test lead dust samples from the floors and window sills of the 27 homeowner units that received CDBG funds in program years 2012 and 2013 to ensure that the lead dust does not exceed the allowable lead dust standards. If the tests reveal the existence of excessive lead dust, City officials need to reduce the lead dust to the allowable limit, or reimburse the City's CDBG line of credit from non-Federal funds for disbursements previously made to repair those 27 units.	0
2016-NY-1801	2/11/2016	001-C	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen the City's administrative controls to ensure that the lead risk assessment conducted after the completion of rehabilitation work is adequately documented.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1801	2/11/2016	001-D	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen the City's administrative controls to ensure that adequate documentation is maintained to support compliance with the Federal and State lead requirements.	0
2016-NY-1801	2/11/2016	001-F	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide lead hazard training to the City's lead risk assessor to ensure compliance with Federal and State requirements.	0
2016-CH-0001	2/26/2016	001-A	Record new declarations of trust for the 22 projects to ensure that HUD's interests are protected for the period in which the public housing agencies are required to operate the projects as public housing.	0
2016-CH-0001	2/26/2016	001-B	Support that the 47 projects have sufficient declarations of trust that cover all HUD-assisted properties to protect HUD's interest and prevent encumbrances. If the public housing agencies cannot support that valid declarations of trust were recorded for all HUD-assisted properties, HUD should require the agencies to record declarations of trust or apply appropriate sanctions against the agencies that do not comply with HUD regulations.	0
2016-CH-0001	2/26/2016	001-C	Amend the declaration of trust forms and instructions to (1) include a second identifier for each property, such as physical addresses, so that HUD may verify the effectiveness of the declaration of trust with the information maintained in its systems; (2) allow for the declaration of trust to terminate only upon release from HUD; and (3) reflect the actual preparation process used.	0
2016-SE-1001	3/9/2016	001-A	Hire, train and maintain sufficient staff to adequately perform its housing assistance payment functions.	0
2016-NY-1006	3/29/2016	001-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to strengthen controls over program operations to provide greater assurance that costs charged to the CDBG-DR program are for eligible activities and supported by all required documentation, specifically by requiring recipients to provide receipts or other documentation to support the completed replacement or repair costs.	0
2016-NY-1006	3/29/2016	002-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to strengthen administrative controls to ensure that any ineligibility determination is immediately followed by the next level of management for further action and the current status in the IntelliGrants system is accurate.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1006	3/29/2016	002-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to incorporate and implement recapture policies and procedures to ensure that funds disbursed for ineligible businesses and costs are promptly recovered.	0
2016-NY-1007	3/30/2016	001-G	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen administrative controls over record keeping to ensure that documentation is maintained to support the eligibility of costs paid with CDBG funds.	0
2016-NY-1007	3/30/2016	001-J	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation, such as proof of advertising, bids received, bid analysis reports, cost estimates, contracts, and other applicable records, to support compliance with Federal procurement regulations in the awarding of the five contracts.	0
2016-NY-1007	3/30/2016	001-K	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support compliance with Federal procurement regulations when contracts were awarded to the three single bidders.	0
2016-NY-1007	3/30/2016	001-L	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support the eligibility of the three tenants occupying low- to moderate-income housing units at a residential property assisted with CDBG funds.	0
2016-NY-1007	3/30/2016	001-M	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support the review of the remaining 30 tenants' eligibility to occupy low- and moderate-income housing units.	0
2016-NY-1007	3/30/2016	001-N	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support that those laborers employed by the four contractors are compensated in accordance with Davis-Bacon wage rates. If documentation cannot be provided, the City's line of credit should be reimbursed from non-Federal funds for disbursements made to the four contractors.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1007	3/30/2016	001-O	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen administrative controls over the City's CDBG program to ensure compliance with program income and procurement requirements.	0
2016-NY-1007	3/30/2016	001-T	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation to support compliance with Federal procurement regulations when a winning bidder was allowed to submit two bids with different prices for a single contract. If documentation cannot be provided, the City's line of credit should be reimbursed from non-Federal funds for disbursements made to the contractor.	0
2016-NY-1007	3/30/2016	001-U	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide documentation, such as a New Jersey State business registration, liability insurance, licenses, and other documentation, to support the eligibility of the three contractors awarded HORP contracts in program years 2012 and 2013.	0
2016-NY-1007	3/30/2016	001-V	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen administrative controls over HORP to ensure compliance with program requirements.	0
2016-NY-1007	3/30/2016	001-W	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide training to City staff responsible for administering the City's CDBG program to strengthen the staff's awareness of CDBG program requirements.	0
2016-NY-1007	3/30/2016	002-A	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen financial controls over cash flow to ensure that the time between making and spending LOCCS drawdowns is minimized.	0
2016-NY-1007	3/30/2016	002-F	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to provide training to City staff responsible for reporting in IDIS and making drawdowns from LOCCS, thus ensuring compliance with CDBG program requirements.	0
2016-NY-1007	3/30/2016	002-G	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to strengthen financial controls to ensure that LOCCS drawdowns are charged to the correct IDIS activities and traceable to the City's accounting records.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1004	4/28/2016	001-E	Submit annually to HUD for the next 3 years, a list of all procurement contracts over \$10,000 (whether ongoing or recently procured contracts) listing the vendor name, contract service description or items purchased, and contract amount. HUD will perform a review and evaluation of selected contracts.	0
2016-LA-1004	4/28/2016	001-F	Submit to HUD, on an annual basis, for the next 3 years, the Authority's last 12-month vendor payment history.	0
2016-AT-1005	5/10/2016	001-B	Ensure that the housing quality standards violations have been corrected for the 69 units cited in this finding and certify that the units meet the standards.	0
2016-FO-0005	5/13/2016	001-A	Revise its risk assessment process to ensure that all HUD programs, including Ginnie Mae programs, are (1) initially risk-assessed for improper payments or request a waiver from OMB, and if programs are determined to be low risk, reassess them on a 3-year cycle; and (2) risk assessed against all of the required risk factors.	0
2016-FO-0005	5/13/2016	001-B	Establish policies and procedures to ensure that adequate documentation of the risk assessment process is maintained to facilitate an independent third-party's review of OCFO's compliance with the requirements of OMB Circular A-123, appendix C, for risk assessments.	0
2016-FO-0005	5/13/2016	001-C	Consider stratifying the population of RHAP tenant cases between income-based and non-income based rents going forward in determining the population of cases for the QC study and determine whether it is appropriate to include only the income-based tenants in the population.	0
2016-FO-0005	5/13/2016	002-A	Develop, document, and implement formal policies and procedures to ensure that (1) all programs or activities that expend \$1 million or more annually for each program office identified are included in either the program office's payment recapture audit plan or provide a justification and analysis showing why a payment recapture audit would not be cost effective for that program or activity and (2) justifications and analyses showing why a payment recapture audit would not be cost effective are maintained and adequately described in the AFR, in accordance with OMB Circular A-123, appendix C.	0
2016-FO-0005	5/13/2016	003-A	Develop and document a methodology for adjusting the billing error for factors that may change the billing error previously reported if a billing study is not performed annually.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0005	5/13/2016	004-A	Amend the checklist to ensure that the description of corrective actions in the AFR include an explanation of how the corrective actions address the root causes reported in table 2 and all required timelines.	0
2016-FO-0005	5/13/2016	004-B	Establish and implement procedures to ensure that the required information specified in the checklist is adequately and specifically addressed and is included in the published AFR.	0
2016-FO-0005	5/13/2016	004-C	Establish and implement a process to identify high-dollar overpayments and report them quarterly to OMB and us or submit a written request to OMB for an alternative reporting structure.	0
2016-FO-0005	5/13/2016	002-C	Resubmit the justifications for why a payment recapture audit would not be cost-effective for each program that expended over \$1 million or more to OMB and OIG for programs that were not already identified under a separate recovery audit plan.	0
2016-FO-0005	5/13/2016	001-E	Revise its risk assessment process to (1) ensure that all FHA programs are assessed for significant improper payments or request a waiver from OMB; (2) establish a 3-year cycle to reassess all low-risk programs; and (3) ensure that consideration of all of the required risk factors is clearly documented.	0
2016-FO-0005	5/13/2016	002-B	Revisit the existing recovery audit plan and update it as needed to ensure that all programs and activities that expended more than \$1 million annually were included in the recovery audit plan or excluded from the recovery audit plan and maintain the corresponding cost-benefit analyses supporting their exclusion.	0
2016-AT-0001	5/20/2016	001-A	Revise its memorandum of understanding with the Office of Risk Management and Assessment to ensure that loans approved by the Office of Multifamily Production are reviewed for compliance with MAP underwriting requirements.	0
2016-AT-0001	5/20/2016	001-B	Coordinate with the Office of Risk Management and Assessment to conduct compliance reviews of loans approved by the Office of Multifamily Production that have not been completed since October 2014.	0
2016-AT-0001	5/20/2016	002-A	Update the valuation appendixes to reflect the requirements provided in paragraph 7.18.E of the 2016 MAP Guide. The updated requirements should be included in the MAP Guide when it is formally revised.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-0001	5/20/2016	002-B	Update the requirements provided in paragraph 7.18.D of the MAP Guide by issuing alternate guidance to require management to provide adequate support documentation to justify loan approval in instances in which technical staff and underwriters recommend or conclude that a loan should not be approved. The updated requirements should be included in the MAP Guide when it is formally revised.	0
2016-AT-0001	5/20/2016	002-C	Update the requirements provided in paragraph 7.1.D of the 2016 MAP Guide by issuing alternate guidance to ensure USPAP compliance when the reviewer is not an appraiser. The updated requirements should be included in the MAP Guide when it is formally revised.	0
2016-AT-0001	5/20/2016	002-D	Update the requirements provided in paragraph 4.4.A of the 2016 MAP Guide by issuing alternate guidance, which clearly outlines who will determine whether a technical specialist will be used for each part of a loan under the Single Underwriter model and how that determination will be made. The updated requirements should be included in the MAP Guide when it is formally revised.	0
2016-AT-0001	5/20/2016	002-E	Formalize a detailed training program process to ensure that new employees hired after the multifamily transformation is complete are familiar with the Single Underwriter model.	0
2016-PH-1003	5/24/2016	001-E	Require the City to develop and implement controls to ensure that it properly monitors subrecipient activities.	0
2016-PH-1003	5/24/2016	001-F	Require the City to develop and implement controls to ensure that subrecipient activities comply with all requirements before making disbursements.	0
2016-PH-1003	5/24/2016	001-H	Require the City to develop and implement controls to ensure that it complies with HUD procurement and environmental review requirements.	0
2016-LA-1006	6/3/2016	001-A	Determine legal sufficiency and if legally sufficient, pursue remedies under the Program Fraud Civil Remedies Act for submitting misleading documentation to HUD associated with HUD OIG audit report 2009-LA-1020 and its original PHARS agreement.	0
2016-LA-1006	6/3/2016	001-F	Work with HUD on a disposition plan for the Authority's former maintenance building including but not limited to selling the property for a fair and reasonable amount or entering into a fair market lease agreement that provides the Authority with income from the property and ensure the City follows all lease requirements including that the City pays for all associated alarm and utility costs.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1006	6/3/2016	001-K	Obtain HUD approval for its self-insured general liability policy and its participation in a risk pool not approved by HUD.	0
2016-LA-1006	6/3/2016	001-N	Work with HUD headquarters on corrective actions to improve the Authority's control and accountability regarding its finances and operations including but not limited to HUD receivership and/or separating the Authority's finances from those of the City.	0
2016-AT-1006	6/17/2016	001-D	Continue to monitor the City to ensure it is effectively implementing its revised controls and processes throughout its HOME program.	0
2016-AT-1007	6/22/2016	001-C	Confirm that the City has implemented its revised written policies and procedures throughout its CDBG program.	0
2016-SE-1002	6/23/2016	001-B	Develop and implement written policies and procedures to ensure that distributions are made only from surplus cash and that it obtains approval from HUD before making repayment of advances when the project is in a non-surplus-cash position.	0
2016-SE-1002	6/23/2016	002-B	Obtain training to ensure that it properly implements HUD rules and regulations regarding procurement.	0
2016-SE-1002	6/23/2016	002-C	Develop and implement policies and procedures for procuring contractors which it will pay more than \$10,000 in a year.	0
2016-SE-1002	6/23/2016	003-D	Obtain training to ensure that it properly implements HUD rules and regulations regarding disbursements from project funds.	0
2016-SE-1002	6/23/2016	003-E	Develop and implement controls to ensure that it follows HUD rules and its own policies and procedures for paying invoices.	0
2016-SE-1002	6/23/2016	004-C	Obtain training on HUD rules and regulations regarding Section 8 housing assistance payments.	0
2016-SE-1002	6/23/2016	004-D	Develop and implement policies and procedures for monitoring its housing assistance payment claims and processing move-outs.	0
2016-SE-1002	6/23/2016	005-A	Establish and implement written policies and procedures to record the date and time of tenant selection from its waiting list.	0
2016-SE-1002	6/23/2016	005-B	Establish and implement written policies and procedures to ensure check numbers, amounts, and payees are accurately recorded in its accounting system.	0
2016-SE-1002	6/23/2016	005-D	Establish and implement written policies and procedures to ensure that bank reconciliations are accurately performed.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-SE-1002	6/23/2016	005-E	Reperform its operating account bank reconciliations, beginning with the October 2012 statements, to reflect the accurate balance in its accounting system.	0
2016-CH-1003	6/30/2016	001-B	Reduce program income in HUD's system by more than \$293,000.	0
2016-PH-0001	6/30/2016	001-C	Develop and implement controls to ensure that it expeditiously takes action to enforce grantee compliance with monitoring findings or pursue one of the established remedies for noncompliance.	0
2016-PH-0001	6/30/2016	001-G	Direct field offices to include property acquisition and disposition activities as an area of special emphasis when assessing grantee risk and establishing their monitoring plans and grantee monitoring strategies.	0
2016-FW-1004	7/27/2016	001-F	We recommend that the Acting Director of the HUD Southwest Region Office of Multifamily Housing Programs require the Corporation to Repay the remaining balance of the judgment totaling \$74,590 from nonproject funds.	0
2016-CH-1004	7/28/2016	001-D	Implement adequate procedures and controls to ensure that the Authority complies with HUD's requirements for program conflicts of interest.	0
2016-CH-1004	7/28/2016	001-E	Work with the Authority to ensure that (1) additional funds are not inappropriately paid for program units, (2) rent reasonableness determinations are appropriate, and (3) the program units met HUD's housing quality standards for the units cited in this finding.	0
2016-CH-1004	7/28/2016	002-F	Implement adequate procedures and controls to ensure that (1) required eligibility documentation is obtained and maintained; (2) housing assistance payments contracts are executed in a timely manner; and (3) housing assistance payments are appropriately calculated, supported, and paid.	0
2016-CH-1004	7/28/2016	002-G	Implement adequate procedures and controls to ensure that (1) program funds are used for eligible expenditures and (2) documentation to support its expenditures is maintained.	0
2016-CH-1004	7/28/2016	002-H	Implement adequate procedures and controls to ensure that utility reimbursements are appropriately refunded to program households when the utility reimbursement payments to utility companies exceed the actual utility costs.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1004	7/28/2016	002-I	Implement adequate procedures and controls to ensure that administrative service charges for functions related to the Housing Choice Voucher program are not passed to the landlords and household for the normal costs of doing Authority business.	0
2016-CH-1004	7/28/2016	002-J	Ensure staff is trained and familiar with HUD's regulations and the Authority's own requirements including, but not limited to appropriately (1) managing its program waiting list, (2) applying local preferences, and (3) ensuring 24-hour exigent health-and safety-related violations are corrected within 24 hours, or appropriate extensions are documented.	0
2016-CH-1004	7/28/2016	002-K	Work with the Authority to determine whether program households are admitted in accordance with HUD's program requirements and if not, consider a referral to HUD's Office of Fair Housing and Equal Opportunity.	0
2016-CH-1004	7/28/2016	002-L	Work with the Authority to determine whether it is appropriate to require households to obtain and pay for criminal background checks. If it is determined to not be appropriate, the Director should ensure that the Authority (1) provides background checks for all future applicants, (2) determines the number of households affected, and (3) reimburses the affected households as appropriate from program funds.	0
2016-PH-0003	7/29/2016	001-E	Take appropriate administrative action against the lenders and appraisers for any cases (identified through recommendations 1A through 1D) where it finds that they did not take appropriate steps to ensure that properties had a safe and potable water source.	0
2016-PH-0003	7/29/2016	001-F	Improve its controls to ensure that it does not insure additional loans in Flint for properties that do not have a safe and potable water source. These controls could include updating its endorsement or monitoring processes until the water contamination issue has been resolved in Flint.	0
2016-AT-1009	8/2/2016	001-E	Pursue double damages remedies against the responsible parties for the ineligible, unreasonable, and the applicable portion of the unsupported disbursements that was used in violation of the project's regulatory agreement.	0
2016-AT-1009	8/2/2016	001-F	Pursue civil money penalties and administrative sanctions against the responsible parties for mismanagement of project funds and noncompliance with the regulatory agreement and HUD's requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1005	8/3/2016	001-B	Update its expected energy savings – the total contract amount to include change orders – and provide supporting documentation to HUD for approval to ensure that the remaining contract amount is appropriately approved.	0
2016-AT-1010	8/4/2016	001-B	Require the Housing Board to update its books, records, and policies and procedures to identify its nonprofit; Mobile Development Enterprises as an instrumentality per applicable HUD regulations, to prevent a future, actual or apparent conflict of interest between the Housing Board, its nonprofit, and other contractors.	0
2016-AT-1010	8/4/2016	001-C	Require the Housing Board to work with HUD to ensure that it meets the conditions of its RAD approval to ensure that the Housing Board’s units are made available for eligible families.	0
2016-AT-1010	8/4/2016	001-D	Take appropriate enforcement action against the Housing Board’s management staff for failing to disclose the instrumentality relationship between the Housing Board and the Mobile Development Enterprises, if a conflict of interest exists.	0
2016-NY-1009	8/12/2016	001-B	We recommend that HUD’s Deputy Assistant Secretary for Grant Programs direct State officials to obtain independent cost estimates before receiving bids or proposals for contract procurement.	0
2016-NY-1009	8/12/2016	001-C	We recommend that HUD’s Deputy Assistant Secretary for Grant Programs direct State officials to include complete budgets in written subrecipient agreements to ensure that CDBG-DR funds are used for their intended purpose.	0
2016-LA-1007	8/17/2016	001-D	Establish and implement program-specific written policies and procedures to ensure that all program expenses and projects comply with program rules and requirements.	0
2016-LA-1007	8/17/2016	001-E	Provide training to program staff on program rules and requirements.	0
2016-LA-1007	8/17/2016	002-B	Terminate the contract with the subrecipient and stop all remaining payments for the project.	0
2016-LA-1007	8/17/2016	002-C	Establish and implement written policies and procedures and monitor its subrecipients to minimize any future instances of potential conflicts of interest that violate program rules and requirements, agreements, and the City’s own procurement policies and procedures.	0
2016-CH-1006	8/23/2016	001-B	Complete background checks for program household members that are 18 years of age or older and ensure that all households receive a criminal background and sex offender registry check before admission to the program.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1006	8/23/2016	001-D	For the household residing in a unit that was not affordable, renegotiate the rent to the owner or require the household to move into a unit that is affordable.	0
2016-CH-1006	8/23/2016	001-E	Implement adequate procedures and controls to ensure that (1) required eligibility documentation is obtained and maintained and (2) program households reside in units that are affordable.	0
2016-CH-1006	8/23/2016	001-J	Review the remaining 35 (38-3) zero-income households to determine whether additional households had income and if so, take appropriate actions to recover any overpaid housing assistance and utility allowance payments.	0
2016-CH-1006	8/23/2016	001-L	Implement adequate procedures and controls to ensure that duplicate payments of housing assistance are not made to program landlords.	0
2016-CH-1006	8/23/2016	001-N	Implement adequate procedures and controls to ensure that fees for missed housing quality standards inspections are not charged to the program households.	0
2016-CH-1006	8/23/2016	002-C	Implement adequate procedures and controls to ensure that the Authority reviews HUD's system report during the reexamination process and that appropriate actions are taken when income discrepancies exceeding HUD's threshold are discovered during the examination process or during its review of the individual income reports.	0
2016-CH-1006	8/23/2016	002-D	Review the remaining 46 (58-12) households on HUD's system income discrepancy report to determine whether additional households have valid income discrepancies and if so, take appropriate actions to recover any overpaid housing assistance and utility allowance payments.	0
2016-CH-1006	8/23/2016	003-A	Establish a program coordinating committee.	0
2016-CH-1006	8/23/2016	003-B	Determine the actual number of active, graduated, and terminated participants on its program and provide the documentation to HUD for review.	0
2016-CH-1006	8/23/2016	003-E	Complete program applications and family needs assessments and execute appropriate (1) contracts of participation and (2) individual training and services plans for all active program participants.	0
2016-CH-1006	8/23/2016	003-F	Implement adequate procedures and controls to ensure that all required documentation is complete, accurate, and maintained in the participants' files to support program eligibility.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1006	8/23/2016	003-J	Implement adequate procedures and controls and a corrective action plan for its program to ensure that the program is appropriately administered, including but not limited to ensuring that (1) escrow accounts are appropriately established, (2) monthly escrows are appropriately calculated and entered into the Authority's subsidiary ledgers, (3) forfeited escrow balances are returned to the Housing Choice Voucher program bank account timely, and (4) its program bank account is appropriately maintained.	0
2016-CH-1006	8/23/2016	003-K	Review the Authority's Section 8 Management Assessment Program results and consider revising its designation and if warranted, conduct a confirmatory review of its scoring process.	0
2016-FO-0802	8/26/2016	001-A	Identify the universe of all program obligations and disbursements, including the appropriations account level of obligations and outlays by program activity and by object class for compliant USASpending.gov reporting.	0
2016-FO-0802	8/26/2016	001-B	Prepare and execute a plan to resolve errors already identified in programmatic expenditure information transferred to USASpending.gov before full implementation and ensure that similar types of errors are timely identified and promptly resolved prior to implementation.	0
2016-FO-0802	8/26/2016	001-D	Complete the project plan documentation for the FHA and Ginnie Mae components.	0
2016-LA-1008	8/26/2016	001-F	Implement additional written controls to ensure that management and ownership follow the project's policies and procedures, the regulatory agreement, and HUD program requirements.	0
2016-LA-1008	8/26/2016	001-G	Pursue civil and administrative remedies, as appropriate, against the owners of Dolores Frances for making ineligible payments using project funds and securing loans that encumbered the properties of Dolores Frances without HUD approval.	0
2016-LA-1009	8/26/2016	001-E	Review all current CDBG-funded projects, open CDBG projects, and projects subject to CDBG use restrictions for unreported program income. If the City and HUD determine that there was unreported program income for the audit period or CDBG use restriction period, the City should report the program income to HUD and record receipt of the CDBG program income in the Integrated Disbursement and Information System.	0
2016-LA-1009	8/26/2016	001-G	Develop citywide written policies and procedures that govern the CDBG program and ensure compliance with CDBG requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1009	8/26/2016	001-H	Implement adequate controls to ensure compliance with applicable regulations related to cost eligibility, procurement, and program income for any further activities involving the use of CDBG funding.	0
2016-LA-1009	8/26/2016	001-I	Implement adequate controls to ensure compliance with the City's own process for awarding HUD funding and to ensure that potential conflicts of interest are mitigated to protect procurement integrity.	0
2016-AT-1012	8/29/2016	001-A	Complete the implementation of the new accounting system and ensure it tracks program funds to a level that supports compliance with HUD requirements.	0
2016-DP-0003	8/31/2016	001-D	Not released to public.	0
2016-DP-0003	8/31/2016	002-B	Not released to public.	0
2016-DP-0003	8/31/2016	002-C	Not released to public.	0
2016-DP-0003	8/31/2016	003-A	Not released to public.	0
2016-DP-0003	8/31/2016	003-B	Not released to public.	0
2016-DP-0003	8/31/2016	003-C	Not released to public.	0
2016-DP-0003	8/31/2016	003-D	Not released to public.	0
2016-DP-0003	8/31/2016	003-E	Not released to public.	0
2016-DP-0003	8/31/2016	003-F	Not released to public.	0
2016-DP-0003	8/31/2016	003-G	Not released to public.	0
2016-DP-0003	8/31/2016	003-H	Not released to public.	0
2016-DP-0003	8/31/2016	003-I	Not released to public.	0
2016-DP-0003	8/31/2016	003-J	Not released to public.	0
2016-DP-0003	8/31/2016	003-K	Not released to public.	0
2016-DP-0003	8/31/2016	003-L	Not released to public.	0
2016-DP-0003	8/31/2016	003-N	Not released to public.	0
2016-DP-0003	8/31/2016	003-O	Not released to public.	0
2016-DP-0003	8/31/2016	003-P	Not released to public.	0
2016-DP-0003	8/31/2016	003-Q	Not released to public.	0
2016-DP-0003	8/31/2016	003-R	Not released to public.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-DP-0003	8/31/2016	004-B	Not released to public.	0
2016-DP-0003	8/31/2016	004-D	Not released to public.	0
2016-DP-0003	8/31/2016	004-E	Not released to public.	0
2016-FW-1006	8/31/2016	001-B	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to ensure that the Parish obtains additional documentation to support eligibility for the 28 program participant files that did not have adequate documentation to support program eligibility or amend the eligibility determination.	0
2016-FW-1006	8/31/2016	001-C	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to ensure that the Parish reviews the remaining 293 program participant files for its homeowner rehabilitation, housing elevation, home-buyer assistance, and small rental rehabilitation programs to ensure that documentation complies with HUD and program requirements and to support the eligibility determinations.	0
2016-FW-1006	8/31/2016	001-E	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to provide assistance to the Parish regarding procurement requirements to ensure compliance with requirements for future procurement activities related to CDBG disaster assistance contracts.	0
2016-FW-1006	8/31/2016	001-F	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to review and evaluate the Parish's procurement policy to ensure compliance with 24 CFR 85.36 requirements and that the Parish amends its procurement policy to include clear language requiring that its staff perform independent cost estimates before receiving bids or proposals for every procurement.	0
2016-FW-1006	8/31/2016	001-H	We recommend that the Director of HUD's Office of Block Grant Assistance require the State to review the Parish's written financial management policy for compliance with HUD and program requirements and ensure that the Parish amends its policy to incorporate requirements to comply with State policy when applicable.	0
2016-PH-1006	8/31/2016	001-E	Provide documentation to show that it verified the value of the matching in-kind contributions identified in the audit report.	0
2016-PH-1006	8/31/2016	001-G	Develop and implement controls to ensure that in-kind contribution amounts are verified.	0
2016-PH-1006	8/31/2016	001-H	Provide technical assistance to the Authority to ensure that its administration of its ROSS grants complies with applicable requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1011	9/12/2016	001-A	Work with HUD to nullify the restrictions on conveyance that violate HUD policy or indemnify HUD. This action will protect HUD against future losses of \$867,134 for the 14 loans (appendix F).	0
2016-LA-1011	9/12/2016	001-C	Develop and implement procedures to ensure that it reviews all closing documents, including closing documents for second mortgages associated with downpayment assistance, before closing the loan.	0
2016-LA-1011	9/12/2016	001-D	Ensure that it has adequately trained its employees regarding HUD underwriting requirements, including calculating commission and overtime income, identifying irregularities and red flags, and unallowable restrictions on conveyance.	0
2016-LA-1011	9/12/2016	001-E	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies, civil money penalties, or both against Evergreen, its principals, or both for incorrectly certifying to the integrity of the data, the eligibility for FHA mortgage insurance, or that due diligence was exercised during the origination of FHA loans.	0
2016-NY-0001	9/12/2016	001-C	We recommend that the Director of the Public Housing Financial Management Division continue to implement the reconciliation software application to provide greater assurance that Operating Fund calculations are based on correct data.	0
2016-NY-0001	9/12/2016	001-E	We recommend that the Director of the Public Housing Financial Management Division strengthen controls to ensure that files maintained at Headquarters are complete.	0
2016-NY-0001	9/12/2016	001-G	We recommend that the Director of the Public Housing Financial Management Division strengthen controls to ensure that the units funded under the Operating Fund program do not exceed the PHA's Faircloth limit.	0
2016-NY-0001	9/12/2016	001-I	We recommend that HUD's Deputy Assistant Secretary of the Office of Field Operations develop and implement procedures to conduct a more detailed review of the PHA self-certified unit months and utility costs data and strengthen controls to ensure that field office staff follow the established verification procedures Operating Fund calculations.	0
2016-SE-1003	9/12/2016	001-D	Recalculate the housing assistance charged for the 35 units not sampled during our audit, reimburse HUD for any overcharged assistance amounts, provide support for any unsupported amounts, and reimburse tenants for any overcharged rents.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-SE-1003	9/12/2016	001-E	Conduct periodic reviews of tenant files to ensure that its manager correctly calculates the housing assistance payments and adequately documents completion of the required annual recertifications.	0
2016-SE-1003	9/12/2016	002-B	Provide technical assistance to ensure that Solace's manager understands the requirements in the Monthly Activity Transmission Guide, paragraph 7-12(E), and review Solace's tenant files 1 year later to determine whether this requirement is understood and being followed.	0
2016-SE-1003	9/12/2016	002-C	Require Solace to review the 49 tenant files not sampled during our audit, determine whether HUD paid additional housing assistance for tenants after they had moved out, and have Solace reimburse HUD for any additional post-move-out assistance it paid.	0
2016-SE-1003	9/12/2016	002-D	Require Solace to conduct periodic reviews of tenant files to ensure that its manager does not request assistance from HUD for tenants after they have moved out.	0
2016-SE-1004	9/12/2016	001-D	Conduct periodic reviews of tenant files to ensure that its manager or management agent maintains the tenant files, completes the required annual recertifications, and adequately supports hardship exemptions in accordance with HUD requirements.	0
2016-AT-1013	9/13/2016	001-B	Ensure that housing quality standards violations identified for the 56 units were corrected and certify that the units meet HUD's housing quality standards.	0
2016-AT-1013	9/13/2016	001-D	Fully implement its quality control inspection procedures to ensure that supervisory inspections are used to determine whether individual performance or training issues need to be addressed and ensure consistency among the Authority's inspectors when applying HUD's housing quality standards.	0
2016-AT-1013	9/13/2016	002-C	Develop and implement quality control procedures to ensure that its staff complies with HUD regulations and its administrative plan.	0
2016-AT-1013	9/13/2016	002-E	Continue providing training to ensure that its staff administers its Housing Choice Voucher program in compliance with HUD regulations and its administrative plan.	0
2016-DP-0004	9/20/2016	001-A	Not released to public.	0
2016-DP-0004	9/20/2016	001-B	Not released to public.	0
2016-DP-0004	9/20/2016	001-E	Not released to public.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-DP-0004	9/20/2016	001-F	Not released to public.	0
2016-KC-0002	9/21/2016	001-A	Establish a maximum time that loans may remain pooled without insurance.	0
2016-PH-1007	9/27/2016	001-B	Develop and implement controls to ensure that it complies with all applicable procurement requirements.	0
2016-PH-1007	9/27/2016	001-C	Provide training to all employees involved in the procurement process.	0
2016-PH-1007	9/27/2016	001-D	Provide technical assistance to the Authority to ensure that it properly conducts its procurement activities.	0
2016-CH-1007	9/28/2016	001-B	Ensure that the independent third parties complete the remaining housing quality standards inspections and rent reasonableness determinations and continue to perform housing quality standards inspections and rent reasonableness determinations for the units owned by entities that the Authority substantially controls.	0
2016-CH-1007	9/28/2016	002-F	Implement the procedures and controls it developed to ensure that (1) documentation required by HUD is correctly completed and maintained, (2) escrow account balances are correctly calculated and recorded, and (3) escrow account disbursements are fully supported.	0
2016-DE-1005	9/28/2016	001-C	Require the Authority to develop and implement detailed policies and procedures for the procurement process regarding inspections, competitive bidding, and sealed bids. HUD should ensure that these procedures include adequate separation of duties.	0
2016-DE-1005	9/28/2016	001-D	Require the Authority to develop and implement an official drug testing and remediation policy. This policy should include procurement of any goods and services related to the testing and mitigation and a determination of when drug testing is needed.	0
2016-DE-1005	9/28/2016	002-D	Require the Authority to develop and implement a travel policy that reflects Federal travel regulations and guidelines when using Federal funds for travel purposes.	0
2016-DE-1005	9/28/2016	002-E	Require the Authority to develop and implement a policy that requires more oversight of the approval of travel authorizations and travel vouchers.	0
2016-KC-1005	9/28/2016	001-C	Implement a detailed tracking system to ensure that it properly tracks activities.	0
2016-KC-1005	9/28/2016	001-D	Receive training on salary distribution methods and documentation requirements for Federal grants.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-KC-1005	9/28/2016	001-E	Receive monitoring by the appropriate grantee to ensure that it establishes and implements a new activity tracking system.	0
2016-KC-1005	9/28/2016	002-B	Receive conflict-of-interest training that addresses Federal regulations.	0
2016-KC-1005	9/28/2016	002-C	Receive monitoring by the appropriate grantee to ensure that it establishes and implements detailed NSP policies and procedures, checklists, and applications that require City employees or applicants to disclose potential conflict-of-interest relationships.	0
2016-KC-1005	9/28/2016	003-D	Receive monitoring by the appropriate grantee to ensure that it develops a system to receive NSP policy alerts and other related guidance.	0
2016-KC-1005	9/28/2016	004-B	Receive monitoring by the appropriate grantee to ensure that its waiting list policies and procedures are implemented and the NSP waiting list is accurate and updated.	0
2016-KC-1006	9/28/2016	001-B	Provide Section 3 technical assistance to the City and monitor the City's compliance with Section 3 requirements.	0
2016-CF-1812	9/29/2016	001-A	Acknowledge that the attached settlement agreement for \$5,000 represents an amount due HUD from the real estate agent.	0
2016-CF-1812	9/29/2016	001-C	Acknowledge that the attached settlement agreement for \$1,000 represents an amount due HUD from the second borrower.	0
2016-CH-1008	9/29/2016	001-A	Certify and provide supporting documentation showing that the applicable property preservation and protection deficiencies have been corrected for the 105 properties cited in this finding.	0
2016-CH-1008	9/29/2016	001-E	Implement the improved quality control procedures to ensure that property preservation and protection services are performed in accordance with its contract with HUD and its own requirements, including but not limited to ensuring that (1) it provides proper supervision and oversight of its subcontractors and (2) supervisory quality control inspections are completed and feedback is provided to the subcontractors to correct recurring deficiencies.	0
2016-CH-1008	9/29/2016	001-F	Implement procedures and controls to ensure that it manually removes properties from its monthly field service manager batch billing transmittals to HUD, when HUD asks that services not be provided for a particular property that is in PKMG's active inventory.	0
2016-NY-1010	9/29/2016	001-A	We recommend that the Director of HUD's Office of Residential Care Facilities instruct project officials to develop an adequate liquidation plan related to the two mortgages assigned to HUD.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-NY-1010	9/29/2016	001-D	We recommend that the Director of HUD's Office of Residential Care Facilities instruct project officials to submit an acceptable change in operator to protect HUD's interest in the properties.	0
2016-NY-1010	9/29/2016	001-E	We recommend that the Director of HUD's Office of Residential Care Facilities instruct project officials to seek HUD's approval before repaying loan advances to affiliated companies.	0
2016-NY-1010	9/29/2016	001-F	We recommend that the Director of HUD's Office of Residential Care Facilities instruct project officials to strengthen controls to provide greater assurance that disbursements for project expenses comply with the regulatory agreements.	0
2016-NY-1010	9/29/2016	001-G	We also recommend that the Director of HUD's Departmental Enforcement Center, in coordination with the Director of HUD's Office of Residential Care Facilities pursue double damages remedies against the responsible parties for the disbursements made in violation of the projects' regulatory agreements.	0
2016-NY-1010	9/29/2016	001-H	We further recommend that the Director of HUD's Departmental Enforcement Center pursue civil money penalties and administrative sanctions, as appropriate, up to and including debarment, against responsible parties for their part in the regulatory violations cited in this report.	0
2016-PH-0005	9/29/2016	001-B	For each State grantee that did not meet the stated requirements to demonstrate that its procurement process was proficient, review procurement files for contracts that were paid with funds provided under the Disaster Relief Act and if the procurement did not comply with Federal procurement requirements, require the grantees to repay HUD from non-Federal funds for any amounts that (1) they cannot support or (2) were not fair and reasonable.	0
2016-PH-0005	9/29/2016	001-C	Continue to improve the guidance that it provides to grantees to ensure that future grantee certifications are accurate and supported.	0
2016-PH-0005	9/29/2016	001-D	Continue to improve its controls to ensure that its staff adequately understands and reviews future grantee certifications to ensure that they are accurate and supported before certifying that grantees have a proficient procurement process.	0
2016-PH-0005	9/29/2016	001-E	Increase monitoring of State grantees that selected the equivalency option.	0
2016-PH-1008	9/29/2016	001-A	Certify, along with the owners of the 56 units cited in the finding, that the applicable housing quality standards violations have been corrected.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-PH-1008	9/29/2016	001-C	Submit a request for approval of an independent entity to perform housing quality standards inspections of units that it owns.	0
2016-PH-1008	9/29/2016	001-D	Develop and implement procedures to ensure that the required number of quality control inspections are conducted and that the results of those inspections are used to improve the effectiveness of its housing quality standards inspections.	0
2016-PH-1008	9/29/2016	001-F	Evaluate its inspection contract to ensure that it provides sufficient resources to the inspectors that will result in thorough unit inspections.	0
2016-AT-1014	9/30/2016	001-C	Ensure that its staff is trained and familiar with HUD's and the Authority's requirements for proper calculation of housing assistance payments.	0
2016-AT-1014	9/30/2016	001-D	Develop and implement written controls consistent with HUD's regulations that require the Authority to monitor and resolve EIV income discrepancies.	0
2016-AT-1014	9/30/2016	001-E	Review, verify, and resolve the substantial underreporting of tenant annual income identified on the April 20, 2016, EIV income discrepancy report. Any overpayments should be reimbursed to its program from non-Federal funds.	0
2016-AT-1014	9/30/2016	001-F	Ensure that its staff is trained and familiar with HUD's requirements regarding the mandatory use of HUD's EIV system.	0
2016-AT-1014	9/30/2016	001-G	Develop and implement controls to ensure that EIV income reports are retained for at least 3 years from the effective date of action and the Authority's records management is consistent with other HUD privacy and data security requirements, such as the HUD EIV security procedures.	0
2016-CH-1009	9/30/2016	001-A	Obtain ownership of the 8 units owned by the Preservation Association and assume the promissory notes secured by mortgages payable to the Preservation Association for the 60 units that were to be owned by Condominium Association members.	0
2016-CH-1009	9/30/2016	001-B	Implement adequate procedures and controls to ensure that when applicable, the Condominium Association, rather than the Preservation Association, (1) purchases units from the owners, (2) takes title to the units, (3) assumes the promissory notes secured by mortgages payable to HUD, and (4) enters into promissory notes secured by mortgages payable to the Condominium Association with the purchasers of the units.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1009	9/30/2016	001-C	Have a representative of HUD at the closing for unit sales to sign the HUD notes.	0
2016-CH-1009	9/30/2016	001-G	Provide sufficient documentation to support that HUD had received 50 percent of the proceeds from initial unit sales as of June 2016. If the Condominium Association cannot do this, it should pay HUD half of the principal on the promissory notes payable to the Condominium Association for all unit sales less the amount the Condominium Association can support that it paid HUD for initial unit sales.	0
2016-CH-1009	9/30/2016	001-I	Establish and maintain a reserve account for its share of the proceeds from initial unit sales to be used as required by the grant agreement.	0
2016-CH-1009	9/30/2016	001-M	Determine who has the right to ownership of the unit where the sole owner passed away, transfer ownership of the unit to that person, and require him or her to move into or sell the unit.	0
2016-CH-1009	9/30/2016	001-O	Require the two owners that did not maintain their unit at the project as their principal residence to move back into or sell their unit.	0
2016-CH-1009	9/30/2016	001-Q	Ensure that the unit that it is using as an office and meeting space is in a decent, safe, and sanitary condition and then rent the unit to a very low-, low-, or moderate-income household selected from a waiting list for rental units that meets the requirements of the resident home-ownership plan.	0
2016-CH-1009	9/30/2016	001-T	Ensure that appraisals are conducted of the seven units sold since May 2012 to determine the fair market value of the units at the time of sale. If any of the units sold for more than the fair market value, HUD should require the Condominium Association to (1) reduce the purchase price of the units to the fair market value by reducing the promissory notes payable to the Preservation Association and reimbursing the owners for overpayments on the downpayments and notes as appropriate and (2) release the promissory notes payable to HUD. If any of the units sold for less than the fair market value and the promissory notes payable to HUD do not reflect the difference between the fair market value of the units and the purchase price, HUD should require the Condominium Association to amend the promissory notes payable to HUD as appropriate. Further, for the three subsequent unit sales, HUD should require the Condominium Association to remit to the City any net proceeds that it should have paid to the City's HOME investment trust fund.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1012	9/30/2016	001-G	Implement adequate procedures and controls to ensure that the proper documentation is maintained and contracts are procured and administered in accordance with HUD's and the Authority's procurement requirements. Such procedures and controls should include but not be limited to providing training to its contract officer(s) on HUD's and the Authority's procurement requirements.	0
2016-FW-1010	9/30/2016	001-C	We recommend that the Acting Deputy Assistant Secretary for Grant Programs require the State to review and document State determination of compliance with procurement, contract, and environmental requirements for its subrecipients.	0
2016-FW-1010	9/30/2016	001-D	We recommend that the Acting Deputy Assistant Secretary for Grant Programs require the State to collect, review, and verify supporting source documents for all requests for funds to ensure it supports the expenditure as appropriate for the activity in question.	0
2016-FW-1010	9/30/2016	001-E	We recommend that the Acting Deputy Assistant Secretary for Grant Programs require the State to document all State procedures performed to verify the appropriateness and accuracy of all subrecipient documentation submitted for payment of program expenditures.	0
2016-FW-1010	9/30/2016	001-F	We recommend that the Acting Deputy Assistant Secretary for Grant Programs require the State to support or repay \$4,394,552 in unsupported expenditures.	0
2016-PH-1009	9/30/2016	001-F	Provide documentation showing that the amount it paid under the contract was reasonable and necessary or repay HUD from non-Federal funds any amount that it cannot support.	0
2016-PH-1009	9/30/2016	001-G	Provide documentation to show that it has complete and up-to-date inventory and equipment records for all items purchased under the contract in accordance with its property management and disposition policy.	0
2016-PH-1009	9/30/2016	001-H	Implement policies and procedures to ensure that it adequately administers current and future contracts related to disaster funds and disburses funds for costs that are eligible, supported, reasonable, and necessary.	0
2016-PH-1009	9/30/2016	001-I	Implement policies and procedures to ensure that it monitors contract performance related to disaster funds and takes appropriate action when contractors fail to meet performance goals contained in the contract terms.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-0001	10/14/2016	001-B	Develop a strategic information technology plan to make significant operational changes to HUD's monitoring of single-family conveyance claims to ensure that servicers comply with foreclosure and conveyance timeframes.	0
2017-KC-0001	10/14/2016	001-C	Develop and implement controls to identify noncompliance with current regulations at 24 CFR 203.402.	0
2017-CH-0001	10/25/2016	001-C	Deposit the \$367,645 in capital funds into the reserve for replacements accounts for the six projects.	0
2017-CH-0001	10/25/2016	001-D	Review the remaining eight projects with \$79,735 in the projects' grant accounts (17 projects with more than \$1.6 million in the projects' grant accounts – nine projects reviewed with more than \$1.5 million in the projects' grant accounts) and determine whether it is appropriate for the funds to be in the projects' grant accounts. If the funds should not be in the projects' grant accounts, HUD should take the proper corrective actions.	0
2017-NY-1001	11/2/2016	001-B	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to execute new grant agreements to show material changes in grant amounts resulting from duplication of benefits recalculations.	0
2017-NY-1001	11/2/2016	002-A	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs coordinate with the Office of Healthy Homes and Lead Hazard Control to provide technical assistance and instruct City officials to ensure that Program files clearly identify whether a home required lead-based paint testing. When such testing is performed, City officials should ensure that the testing results are documented, identified lead-based paint hazards are removed, and clearance is achieved.	0
2017-NY-1001	11/2/2016	002-D	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs coordinate with the Office of Healthy Homes and Lead Hazard Control to provide technical assistance and instruct City officials to advise homeowners of their obligation under the terms of the reimbursement grant agreement to allow the Program to perform lead-based paint testing or hazard removal. Homeowners who refuse to allow the Program to complete lead hazard work or provide evidence that the property achieved clearance must repay the grant.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1001	11/2/2016	003-A	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to complete the planned document and data cleanup process in CMS before file closeout to ensure that duplicative documents are archived, the most recent documents are identified and filed in the appropriate subfolders, and all files are auditable and comply with the requirements and the City's record-keeping procedures.	0
2017-NY-1001	11/2/2016	003-B	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to ensure that all financial reports are accurate and agree with supporting documentation in the Program files.	0
2017-NY-1001	11/2/2016	003-C	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to update the Coordination of Benefits Standard Operating Procedures to include definitions of SBA cancellation codes.	0
2017-FO-0001	11/14/2016	002-A	Update Ginnie Mae's cash and cash equivalents accounting policies and procedures to ensure that its cash-in-transit balance is properly accounted for.	0
2017-FO-0001	11/14/2016	002-B	Review the cash and cash equivalents account and determine the appropriate adjustments needed to correct the misstatement.	0
2017-FO-0001	11/14/2016	002-C	Revisit the REMIC accounting adjustments made in fiscal year 2015 based on the points cited in this finding to determine appropriate accounting adjustments. At a minimum, Ginnie Mae should: Conduct a review of invoice documents for each REMIC deal to determine the appropriate amount of upfront costs that should be included in the incurred cost ratio calculation, Review source data to ensure the accuracy of the weighted average maturity data used in its analysis, Determine the appropriate incurred cost ratio for REMIC deals from the 1994 to 2013 cohort years based on reasonable and acceptable methodology, and Review source data for deals issued between 1994 and 2013 to ensure the accuracy of the guarantee fees data used in its analysis.	0
2017-FO-0001	11/14/2016	002-D	Establish and implement policies and procedures to ensure that proper accrual accounting entries are made to record the accounting event related to closed REMIC deals at the end of each month.	0
2017-FO-0001	11/14/2016	002-E	Review the revenue account balances based on points cited related to the improper accruals of REMIC deals and determine the appropriate adjustments needed to correct the misstatement.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0001	11/14/2016	002-G	Establish and implement policies and procedures to ensure that a subledger is maintained to accurately account for the advances balances at a loan level.	0
2017-FO-0001	11/14/2016	002-H	Enhance existing policies and procedures for its fixed assets, to include systems, processes, and controls, to ensure (1) proper review of invoices to determine whether costs are capitalized or expensed in accordance with GAAP, (2) development costs are capitalized when incurred, and (3) book value is consistent across all documents.	0
2017-FO-0001	11/14/2016	002-I	Establish and implement controls to ensure that escrow and outstanding MBS commitment balances reported in the financial statements are accurate and complete.	0
2017-FO-0001	11/14/2016	002-J	Establish and implement procedures and controls to ensure that indemnification or repurchase agreements (guarantees) are properly accounted for and disclosed in the financial statements in accordance with GAAP.	0
2017-FO-0001	11/14/2016	002-K	Establish and implement adequate procedures and controls to ensure that information related to mortgages held for investment and the associated allowance for loan losses are adequately disclosed in the notes to the financial statements in accordance with GAAP.	0
2017-FO-0001	11/14/2016	003-A	Adjust the reimbursable costs out of the allowance accounts as appropriate.	0
2017-FO-0001	11/14/2016	003-B	Exclude the loan impairment allowance on other indebtedness appropriately instead of reporting it as part of loan impairment allowance on MHI account.	0
2017-FO-0001	11/14/2016	003-C	Document Ginnie Mae's analysis and support for the categorization of its loans for loan impairment purposes and update accounting policies and procedures based on this analysis.	0
2017-FO-0001	11/14/2016	003-D	Modify, as appropriate, the TDR allowance model to ensure production of reasonable and appropriate loss estimates, including allowance estimates on FHA-insured loans.	0
2017-FO-0001	11/14/2016	004-A	Develop and document an issuer default governance framework that includes the identification, monitoring, analysis, evaluation, and response to potential issuer defaults. This process includes an assessment to maximize defaulted issuer assets and minimize losses to Ginnie Mae.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0001	11/14/2016	005-A	Develop an audit tracking tool in IPMS that automatically tracks and logs (1) the type of override used, (2) who performed the override, and (3) the reason for the override. In addition, Ginnie Mae should establish policies and procedures to govern and monitor the use of overrides, which include the timely submission of override reports to Ginnie Mae for review and verification.	0
2017-FO-0001	11/14/2016	005-B	Establish policies and procedures for monitoring changes to master data, to include creating and reviewing a change report and establishing controls within IPMS to inform managers of changes to master data. In addition, Ginnie Mae should automate the reconciliation process between IPMS and other interfacing applications or systems to ensure that all pool-level details are compared and that changes are captured and reported in a timely manner.	0
2017-FO-0001	11/14/2016	005-C	Develop written policies and procedures for master data and ensure that those policies and procedures are available to all staff. In addition, Ginnie Mae should revise policies and procedures, as needed, to reflect the changes in business processes to ensure that policies and procedures are accurate, complete, and current at all times. This should include when new systems are developed and implemented or other organizational changes occur. Ginnie Mae should also ensure that significant changes to the policies and procedures are properly communicated to all individuals responsible for handling Ginnie Mae's data.	0
2017-FO-0002	11/14/2016	002-C	Establish and implement policies and procedures to ensure that accurate data are used to report the undelivered order balances for management and marketing contracts.	0
2017-FO-0002	11/14/2016	003-B	Revise FHA's internal control procedures to realign with its regulatory requirements so that the first reimbursement letter is sent immediately after 60 days instead of after 6 months and establish a timeframe for collection once partial claims are referred to the Mortgagee Review Board.	0
2017-FO-0003	11/15/2016	001-C	Review Ginnie Mae's accounting policies to ensure that they comply with the USSGL.	0
2017-FO-0003	11/15/2016	001-D	Develop and implement policies and procedures that clearly outline the role and responsibilities of both HUD and ARC in the financial statement preparation and review process, including a timeline that will ensure compliance with OMB financial reporting deadlines and allow sufficient time to be audited.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0003	11/15/2016	001-E	Determine which notes cannot be completed in Oracle and develop and implement a plan to ensure that these notes can be produced in Oracle.	0
2017-FO-0003	11/15/2016	001-F	Perform user acceptance testing in Oracle to ensure that it can produce all HUD proper financial information needed for note preparation within the timeframe required. If it is determined that HFM will be used for some portions of the notes, perform user acceptance testing to ensure that HFM is reading and crosswalking the Oracle data correctly.	0
2017-FO-0003	11/15/2016	001-G	Based on the user acceptance testing, implement any further modifications needed in Oracle or HFM to ensure that the notes are populated correctly.	0
2017-FO-0003	11/15/2016	001-H	Prepare first and second quarter financial statements and note disclosures for fiscal year 2017 and beyond to ensure the early identification of errors or problems in the financial reporting process.	0
2017-FO-0003	11/15/2016	001-J	Implement controls to ensure that apportionments, allotments, and commitments (accounts 4510, 4610, and 4700) are closed to unapportioned authority (account 4450) as part of the yearend closing process and not before issuing any of its future financial statements.	0
2017-FO-0003	11/15/2016	002-A	Continue working with ARC and complete the reconciliation and cleanup efforts for balances related to HUD's loan guarantee programs.	0
2017-FO-0003	11/15/2016	002-C	Work with the Office of the Chief Administration Officer to establish control activities (that is, procedures) to completely and accurately record internal use software, leasehold improvement, and property acquisition transactions and enable compliant financial reporting.	0
2017-FO-0003	11/15/2016	002-D	Evaluate whether using existing Oracle accounting modules and ARC business processes to account for fixed assets and internal use software will be more cost effective and beneficial for HUD operations.	0
2017-FO-0003	11/15/2016	002-E	Work with the OCFO to establish controls that ensure the timely communication of internal use and commercial-off-the-shelf software license acquisition activity and data.	0
2017-FO-0003	11/15/2016	002-F	Work with OCFO to develop control activities that address risks related leasehold improvement and property acquisition data completeness and accuracy.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0003	11/15/2016	003-A	Develop and implement standard operating procedures, including descriptions of roles and responsibilities, for fund balance with Treasury reconciliations.	0
2017-FO-0003	11/15/2016	003-B	Continue the subledger reconciliation project and complete it in a timely manner, communicate results to top key stakeholders, and complete necessary adjustments or restatements (if applicable).	0
2017-FO-0003	11/15/2016	003-C	Perform a root cause analysis to identify potential control gaps and ineffective controls in the review of subledger balances to the general ledger.	0
2017-FO-0003	11/15/2016	003-D	Communicate the impact of system limitations that contributed to unreconciled balances to relevant management and design and implement effective controls that address relevant risks.	0
2017-FO-0003	11/15/2016	006-A	Establish a framework for financial policy development and review of policy and procedures that defines roles and responsibilities and provides reasonable assurance regarding the effectiveness of related controls.	0
2017-FO-0003	11/15/2016	008-C	Work with the Office of Policy Development and Coordination to issue and implement procedures to address undisbursed obligations on contracts after the 24-month expenditure period for the ESG program.	0
2017-FO-0003	11/15/2016	008-O	Implement a formal process to periodically review obligations and when necessary, contact OCPO to execute deobligations.	0
2017-FO-0003	11/15/2016	008-P	Review the contracts totaling \$72.8 million to determine validity and if no longer needed, forward to HUD's procurement office for closure and deobligation.	0
2017-FO-0003	11/15/2016	009-A	Remove access granted to developer contractor personnel to the production database.	0
2017-FO-0003	11/15/2016	009-B	Prohibit developer user ID sharing and create an additional user ID for system administration within the developer environment.	0
2017-FO-0003	11/15/2016	009-C	Establish audit logs that track user activity for the security administration functions and once established, ensure that they are monitored in accordance with policy.	0
2017-FO-0003	11/15/2016	009-D	Establish audit logs that track user activity for privileged users within the production environment and once these logs are established, ensure that they are monitored in accordance with policy.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1002	11/22/2016	001-B	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to adopt a HUD-approved procurement plan.	0
2017-NY-1002	11/22/2016	001-C	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to develop a HUD-approved statement of policies and procedures and attach the statement to the annual report submitted to HUD.	0
2017-NY-1002	11/22/2016	001-D	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to follow up to ensure inspections are completed before occupancy.	0
2017-NY-1002	11/22/2016	001-E	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to obtain HUD's approval for all public housing units occupied by Authority employees.	0
2017-NY-1002	11/22/2016	001-F	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to accurately report employees who are required to live in public housing as a condition of their employment on form HUD-51234.	0
2017-NY-1002	11/22/2016	001-G	We recommend that the Director of HUD's Office of Public Housing instruct Authority officials to develop and implement a flat rent policy that requires documentation to be maintained to support how flat rents were determined.	0
2017-FW-1001	12/12/2016	001-F	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to enforce its lease requirements related to tenant damage to the property and to establish procedures to collect tenant accounts receivable before writing off the account.	0
2017-NY-1003	12/14/2016	001-C	We recommend that the Director of HUD's Buffalo Office of Public Housing instruct Town officials to develop and implement procedures and controls to ensure that program units meet housing quality standards, thereby ensuring that an estimated \$9,351,175 in future program funds is spent for units that are decent, safe, and sanitary. These procedures should include but not be limited to regular, updated training for the contractor's housing inspectors to ensure that they are familiar with all relevant regulations and rotating its contractor's housing inspectors to prevent units from always being inspected by the same official.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1003	12/14/2016	001-D	We recommend that the Director of HUD's Buffalo Office of Public Housing instruct Town officials to implement procedures to ensure that housing quality standards quality control inspections are adequately performed by its contractor. Specifically, they should ensure that a sufficient number of inspections are performed by a qualified official and results are followed up on appropriately.	0
2017-NY-1003	12/14/2016	001-E	We recommend that the Director of HUD's Buffalo Office of Public Housing instruct Town officials to develop and implement procedures to ensure adequate and timely resolution and sufficient documentation of all Housing Choice Voucher tenant complaints related to the condition of program units.	0
2017-KC-1001	12/16/2016	001-C	Implement adequate policies, procedures, and controls to help ensure that fees charged to its projects are in accordance with HUD's requirements.	0
2017-KC-1001	12/16/2016	001-D	Verify all management fees charged to the projects from 2013 through 2015 were appropriate.	0
2017-KC-1001	12/16/2016	002-C	Require Majestic Management to implement adequate policies, procedures, and controls to help ensure that goods and services are properly procured in accordance with HUD's requirements.	0
2017-KC-1001	12/16/2016	002-D	Monitor Majestic Management's expenditures to ensure that the employees understand and correctly apply procurement requirements.	0
2017-KC-1001	12/16/2016	002-E	Require Majestic Management to update its management agreements to properly disclose its identity-of-interest and employee-owned companies to HUD and property owners.	0
2017-KC-1001	12/16/2016	002-F	Consider administrative sanctions against Majestic Management and its employees for their failure to adequately manage the multifamily projects.	0
2017-KC-1001	12/16/2016	003-C	Implement adequate policies, procedures, and controls to help ensure that payments are adequately supported and for eligible purposes.	0
2017-NY-1004	12/21/2016	001-B	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to strengthen controls over disbursements to ensure that all costs charged to the Program are allowable, reasonable, and necessary in compliance with the HUD-approved action plan and Federal and State regulations.	0
2016-FO-0006	9/29/2016	002-B	Establish a periodic review of the master file-official cardholder records (for example, cardholder, spending authority, approving official reviews).	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-PH-0003	9/29/2017	001-D	Develop and implement policies and procedures to ensure that appraisers comply with guidance implemented to resolve recommendation 1C, including penalties for failure to comply, thereby ensuring that at least \$238,090,214 million is put to better use.	238,090,214
2017-LA-0004	9/14/2017	001-A	Revise servicing review and monitoring policies and procedures to emphasize increased controls on reviewing claim loans showing that no loss mitigation evaluation occurred. Revising the policies and procedures would reduce the risk to HUD and result in a projected \$120,902,564 in funds to be put to better use (appendix A).	120,902,564
2017-NY-0001	5/18/2017	001-A	We recommend that HUD's Deputy Assistant Secretary for Public Housing Investments direct staff to determine whether the nine PHAs that were classified as troubled or physically substandard have public housing developments that are subject to the required conversion requirements to support whether potentially distressed projects should be converted to tenant-based rental assistance. If conversion is required, ensure that it is accomplished timely, thereby ensuring that up to \$75,540,916 is used effectively for other projects that are cost effective and have long term viability and ensuring that residents receive other rental assistance. The \$75 million cited as funds to be put to better use is based on an analysis of available data. We recognize that the 131 PHAs cited in this report, including the 9 PHAs that comprise the \$75 million figure, may not have projects with at least 250 units on one or more contiguous sites that have vacancy rates of 12 percent or more. However, the data did not allow us to calculate vacancy rates for each group of contiguous units, and HUD could not provide a reasonable, supported method to identify projects subject to required conversion. To address this recommendation, HUD will need to determine whether these PHAs have projects that are subject to required conversion.	75,540,916
2017-CF-1806	9/28/2017	001-A	Acknowledge that \$42,600,000 of the \$65,000,000 in the attached settlement agreement represents an amount due HUD, less DOJ's civil debt collection fees.	42,600,000
2017-CF-1803	3/29/2017	001-A	Acknowledge that \$45 million in the attached settlement agreement represents an amount due HUD, less the Department of Justice's civil debt collection fees.	38,000,000
2017-BO-0001	3/22/2017	001-A	Provide adequate documentation to support the \$21,373,462 in unreasonable and unnecessary obligated funds.	21,373,462

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1010	8/4/2017	001-D	Develop and implement adequate procedures and controls to ensure that its quality control inspection program functions properly to include adequately monitoring the inspection contractor to prevent \$20,566,345 in program funds from being spent over the next year on units that do not materially comply with requirements.	20,566,345
2017-NY-1010	9/15/2017	001-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to provide documentation to show that the \$18,782,054 used for four activities was for eligible and supported costs and did not duplicate other benefits or repay from non-Federal funds any amount that it cannot support.	18,782,054
2017-CH-1006	9/5/2017	001-V	Make a preliminary determination as to whether the Cooperative is in default of the grant agreement. If it is preliminarily determined that the Cooperative is in default, HUD should provide the Cooperative notice of the determination and propose corrective or remedial actions to address the default and prevent the Cooperative from repaying the remaining \$18,149,023, which HUD disbursed for the project (\$18,607,467 in funds disbursed for the project – \$458,444 in proceeds from initial membership sales the Cooperative remitted to HUD).	18,149,023
2017-AT-0001	4/27/2017	001-A	Reevaluate the feasibility of the two Section 108 activities that failed to meet a national objective and determine the eligibility of the \$15,814,000 already invested. Any amount determined ineligible must be reimbursed to the program from non-Federal funds.	15,814,000
2017-BO-0001	3/22/2017	001-B	Strengthen and implement acquisition controls to ensure that proper cost and price documentation is obtained, adequate monitoring is conducted, adequate market research is conducted and that contractors are evaluated to assess their capability to perform work, and required contract documentation is maintained in the file to ensure that \$9,645,864 that is yet to be used will not be spent for unreasonable and unnecessary costs.	9,645,864

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1012	9/6/2017	001-A	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to develop and implement a HUD-approved written plan and procedures and take actions that will correct and prevent the deficiencies noted in the finding, improve program administration effectiveness, strengthen the control environment, ensure compliance with HUD regulations and its own policies and procedures, and ensure that it has the continuing capacity to carry out its HOME program activities as required. Implementing this recommendation should ensure that the \$9,339,983 in HOME funding available to the City is better used.	9,339,983
2017-NY-1010	9/15/2017	001-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to Implement procedures to ensure that remaining program costs reimbursed with disaster recovery funds are adequately reviewed for eligibility and support, thereby putting up to \$8,932,630 to better use.	8,932,630
2017-AT-0001	4/27/2017	001-B	Require the borrowers to submit a plan for how they will proceed and use the \$8,694,000 million in unused commitments to provide the intended benefits and meet program objectives.	8,694,000
2017-FW-1004	4/6/2017	001-A	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to develop and implement a HUD approved written plan and checklists; and take actions that will correct and prevent the deficiencies outlined in the finding, improve program administration effectiveness, ensure compliance with HUD regulations and the policies and procedures it submitted and certified to HUD, and ensure it has the continuing capacity to carry out its activities, as required. Implementing this recommendation should ensure that the remaining \$8,679,994 allocated in disaster funding is better used.	8,679,994
2017-AT-1003	3/2/2017	001-A	Submit a plan showing how it will use the \$7,984,429 in unspent escrow funds to meet program objectives and increase the supply of low- and moderate-income housing for the residents of Puerto Rico, including a schedule HUD can track to ensure the expenditure.	7,984,429
2017-LA-1006	8/9/2017	001-A	Support the eligibility of \$6,529,500 in code enforcement costs, including meeting code enforcement requirements, preparing time distribution reports, and supporting vehicle costs, or repay the program from non-Federal funds (appendix D).	6,529,500
2017-KC-0007	9/12/2017	001-A	Finalize and implement monitoring procedures to ensure that \$6,324,625 in flat rents are appropriately charged to tenants over the next year.	6,324,625

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1012	9/6/2017	001-D	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support that all HOME-assisted units at the Greater Treme Consortium, Inc.-Robertson Street, Greater Treme Consortium, Inc.-Dumaine Street, Iberville Project Phase II-Bienville Basin, OIC1-N. Dorgenois Street, OIC2-Painters Street, OIC5-Pauger Street, Treme Cottages, Robert Wolfe Construction-HOME Rental Project, and Rosa Keller projects meet HUD housing property standards or repay its program from non-Federal funds \$5,718,095 disbursed in contract costs.	5,718,095
2017-LA-0006	9/21/2017	001-A	Support the eligibility of more than \$4,187,560 in unsupported costs or require the grantees to repay the U.S. Treasury from non-Federal funds.	4,187,560
2017-NY-1005	1/13/2017	001-A	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to reimburse \$3,536,974 to the County' HOME program line of credit for assistance spent on the four activities that were partially terminated or noncompliant with program requirements.	3,536,974
2017-CH-1801	3/31/2017	001-A	Acknowledge that the judgment awarded \$10,373,998 against the former president and founder of MDR Mortgage to the U.S. Government, of which HUD's loss totaled \$3,452,499.	3,452,499
2017-LA-0005	9/21/2017	001-B	Conduct a complete analysis of existing procedures to strengthen controls over debt collection, including HUD's Treasury Reports of Receivables reporting, resulting in funds to be put to better use of \$3,247,078. Controls should include additional procedures for ensuring that DOJ approval is obtained when required, that all appropriate means of collection have been pursued (including referral to Treasury when required), and that all closed debts are tracked and were properly authorized for collection termination or forgiveness. The analysis should also include a review of HUD's Treasury Reports on Receivables, and any other available records to verify that all closed debts were properly approved for collection termination or forgiveness when required. For any identified debts that were not properly approved, the Departmental Claims Collection Officer should coordinate with applicable program offices to obtain appropriate documentation to approve collection termination or reinstate the debt and resume collections.	3,247,078
2017-KC-0003	5/22/2017	001-A	Investigate the 14 loans with unpaid mortgage amounts totaling \$3,035,819, and require the lenders to obtain the borrowers consent, reinstate the insurance coverage, or take other action as appropriate given the facts of each particular loan.	3,035,819

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-PH-1007	9/28/2017	001-C	Develop and implement procedures and controls to monitor the inspection process to ensure that program units meet housing quality standards, thereby ensuring that an estimated \$2,668,680 in program funds is spent for units that are decent, safe, and sanitary.	2,668,680
2017-LA-1803	9/28/2017	001-A	Work with HUD to nullify the restrictions on conveyance that violate HUD policy or indemnify HUD. This action will protect HUD against future losses of \$2,434,204 for the 49 loans.	2,434,204
2017-AT-1003	3/2/2017	001-B	Submit supporting documentation so HUD can reevaluate the feasibility of the three activities and determine the eligibility of the \$2,432,271 in escrow funds already disbursed. If HUD determines that an activity has been canceled or is not feasible, the Department must reimburse the escrow account from non-Federal funds.	2,432,271
2017-PH-1001	3/22/2017	001-D	Provide documentation to show that seven activities with costs totaling \$2,266,543 were exempt or categorically excluded from environmental reviews or repay its program from non-Federal funds for any amount that it cannot support (excluding any amount repaid as a result of recommendations 1A, 1B, and 1C).	2,266,543
2017-KC-0002	1/20/2017	001-E	Implement recommendations 1A through 1D to ensure that \$2.24 million in housing assistance funds will be put to better use.	2,244,680
2017-AT-1003	3/2/2017	001-D	Submit supporting documentation showing the reasonableness and allowability of \$2,176,733 disbursed or reimburse its escrow account from non-Federal funds.	2,176,733
2017-AT-1011	8/21/2017	001-H	Provide adequate supporting documentation for the \$2,075,314 paid for housing assistance payments for tenant rents for 2015 and 2016 and the associated administrative fees earned or repay the project-based voucher program from non-Federal funds.	2,075,314
2017-BO-1006	8/18/2017	001-A	Provide documentation to support that \$2,063,351 was spent for reasonable and necessary costs. Any amount that cannot be supported should be repaid to the Housing Choice Voucher or public housing programs from non-Federal funds.	2,063,351
2017-PH-1006	9/25/2017	001-A	Provide documentation to show that payroll costs totaling \$2,019,496 and any payroll costs incurred outside our audit period, including fiscal year 2017, were reasonable and necessary expenses for the operation of the project or repay the project from nonproject funds for any amount that it cannot support.	2,019,496
2017-LA-1001	4/13/2017	002-A	Identify the national objective met for the park project or repay the program \$2,000,000 from non-Federal funds.	2,000,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1012	9/6/2017	001-B	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to repay its program from non-Federal funds \$1,829,837 for the four projects that were sold and failed to meet the affordability requirements.	1,829,837
2017-CH-1008	9/28/2017	001-A	Support that it met its \$526,170 matching contribution requirement associated with the more than \$2.1 million in program funds it drew down for supportive services and administrative expenses. If Travelers Aid cannot provide sufficient support, it should reimburse HUD \$1,776,381 from non-Federal funds.	1,776,381
2017-LA-1007	8/24/2017	001-B	Require the Authority to provide source documentation to determine the accuracy of the tribal enrollment numbers reported in 2015 and 2016. Based on those supported numbers, HUD should recapture or offset the unsupported amounts from the awarded \$1,746,658 in program funds that resulted from under or overstated tribal enrollment numbers.	1,746,658
2017-LA-0004	9/14/2017	001-D	Require indemnification for the 26 loans that had significant servicing deficiencies. In these cases, the loss to HUD was \$1,673,117 (appendixes A and D).	1,673,117
2017-CF-1807	9/28/2017	001-A	Acknowledge that \$1,670,000 in the attached settlement represents an amount due HUD less DOJ's civil debt collection fees.	1,670,000
2017-LA-1001	4/13/2017	001-A	Support the reasonableness of the amount paid for the food facility consolidation and expansion project or repay the program \$1,663,758 from non-Federal funds.	1,663,758
2017-CH-1009	9/30/2017	001-J	Implement adequate procedures and controls to ensure that it (1) uses project funds for reasonable operating expenses or necessary repairs of the project, (2) obtains HUD approval before disposing of the project's assets, (3) receives market value for the sale of licensed beds, (4) obtains HUD approval for the entities selected to manage the project before entering into management agent agreements with the entities, (5) properly completes Medicaid applications, and (6) makes timely mortgage payments to prevent a \$1,591,849 claim to HUD on the mortgage.	1,591,849
2017-CH-1001	1/24/2017	001-A	Support that \$1,432,222 in central office cost center expenses allocated to the public housing program projects were eligible, necessary, and reasonable costs of the program. Costs that cannot be supported, or were unnecessary, unreasonable, or for ineligible program costs should be reimbursed to the program from non-Federal funds.	1,432,222

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-PH-1001	3/22/2017	001-A	Provide documentation to show that prices paid for products and services totaling \$1,423,262 for three activities were fair and reasonable or repay its program from non-Federal funds for any amount that it cannot support.	1,423,262
2017-LA-0005	9/21/2017	001-A	Take appropriate steps to establish eligibility for collection termination or compromise for 10 debts totaling \$1,210,278, including three debts that were closed without required DOJ approval. For debts that have a remaining appropriate means of collection, such as demand letters, administrative offset, or referral to Treasury, HUD should reinstate the debt and resume collections.	1,210,278
2017-LA-1006	8/9/2017	001-F	Support the eligibility of the \$1,107,000 in after school program costs, including meeting the limited clientele national objective, or repay the program from non-Federal funds.	1,107,000
2017-AT-1802	9/15/2017	001-A	Reevaluate the feasibility of the project to determine the eligibility of the \$1,014,211 in State Block Grant funds disbursed. If HUD determines that the project has been canceled or is not feasible, the Government of Puerto Rico or its designee must reimburse all project costs to its State Block Grant program from non-Federal funds.	1,014,211
2017-PH-1005	8/14/2017	001-A	Repay HUD from non-Federal funds for the \$987,500 disbursed to 21 home buyers who did not meet all of the program eligibility requirements.	987,500
2017-PH-1003	5/22/2017	001-A	Provide documentation to show that prices paid for purchases of products and services totaling \$970,381 were fair and reasonable or reimburse the project from nonproject funds for any amounts that were not fair and reasonable.	970,381
2017-PH-1001	3/22/2017	001-B	Provide documentation to show that costs totaling \$942,636 for activity 7099 were for employees' actual time spent benefiting the activity or repay its program from non-Federal funds for any amount that it cannot support.	942,636
2017-KC-0002	1/20/2017	001-A	Require public housing agencies to run the Enterprise Income Verification existing tenant search during the admission process and retain the results in the tenant file, which would avoid unnecessary costs to HUD's subsidy programs, allowing an estimated \$935,283 to be put to better use.	935,283

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1011	8/29/2017	001-D	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to implement an effective quality control system, including specifying how many quality control field inspections it will perform, how it will select properties for review and inspection, reviewing exception reports by case number, completing the routine inspection form during field inspections, documenting quality control findings and how it resolved them, and retaining records that allow it to identify and correct patterns of deficiencies and poor performance. This would put an estimated \$891,000 to better use in the next 12 months.	891,000
2017-AT-1801	8/21/2017	001-A	Acknowledge that \$2.93 million in the attached settlement agreement represents an amount due HUD, less DOJ's civil debt collection fees (Footnote 2 - DOJ's 1994 Appropriation Act (Public Law 103-121) authorized DOJ to retain up to 3 percent of all amounts collected as the result of its civil debt collection litigation activities).	851,500
2017-NY-1013	9/28/2017	001-A	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to provide documentation to show that the \$800,439 paid for supplies and services purchased under the intergovernmental agreement for capital improvement projects was reasonable or reimburse its Capital Fund from non-Federal funds for any amount that it cannot support or that is not considered reasonable.	800,439
2017-KC-1002	3/3/2017	001-B	Require New Horizons to provide support for the \$726,399 in housing assistance payments based on missing or incomplete tenant files or repay the assistance from project funds if available (otherwise, from nonproject funds) to HUD.	726,399
2017-PH-1003	5/22/2017	001-B	Provide documentation to show that payments for work totaling \$716,693 complied with applicable building codes or reimburse the project from nonproject funds for payments that did not comply with the codes and take action to bring the work up to code.	716,693
2017-NY-1008	3/10/2017	001-P	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide documentation to show that the \$710,721 paid for services procured was for costs that were reasonable or repay from non-Federal funds approximately \$500,000 to the Operating Fund and approximately \$200,000 to the Capital Fund (Regulations at 24 CFR 905.306(f) require that all capital funds be spent within 48 months after the date on which they become available. Funds that have not been properly spent within 48 months have to be recaptured and returned to the U.S. Treasury).	710,721

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1011	8/21/2017	001-J	Provide adequate supporting documentation for \$669,938 in monthly RAD rehabilitation assistance it received for vacant units during the period of construction or repay the project-based voucher program from non-Federal funds.	669,938
2017-LA-1004	6/13/2017	001-L	Pay the project \$620,937 in uncollected rent from non-project funds.	620,937
2017-NY-1005	1/13/2017	001-F	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to impose deed restrictions or other mechanisms approved by HUD on the two properties that received HOME assistance of \$597,519 to enforce affordability requirements during the affordability period.	597,519
2017-LA-1001	4/13/2017	001-B	Correct any citations from the Southern Nevada Health District at the Pettiti public pool before May 2017 using non-Federal funds or repay the entire project cost of \$596,126 from non-Federal funds and support the reasonableness of the change orders for the Pettiti pool project or repay the program from non-Federal funds.	596,126
2017-CH-1011	9/30/2017	001-D	Improve its quality control procedures to accurately track and conduct reviews in a manner that ensures all properties in its active inventory comply with HUD's and its own requirements to prevent \$594,000 in monthly routine inspection fees from being spent over the next year for properties that are not adequately maintained. The quality control procedures should include but not limited to continued training of BLM's staff and subcontractors on properly identifying and addressing property deficiencies; maintaining sufficient documentation of its monthly quality control reviews and corrective actions; verifying that the date stamped photographs were for the corresponding inspection dates; and regularly updating its tracking mechanism for desktop reviews of inspections to ensure that it conducts desktop reviews for properties that are still in its inventory.	594,000
2017-LA-1005	6/16/2017	001-B	Support the \$576,997 in code enforcement costs (activities 499, 512, and 531), including meeting code enforcement and cost allocation requirements, or repay the program from non-Federal funds.	576,997
2017-FW-1010	8/16/2017	001-B	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$572,929 in ineligible costs for its violation of Federal requirements and procurement procedures when it acquired a property with CDBG funding. Reimbursement must be from non-Federal funds.	576,929

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-0002	9/29/2017	001-E	We recommend that the Deputy Assistant Secretary for Grant Programs instruct the Philadelphia, PA, field office to require Luzerne County to provide documentation to support the fair value of the property at the time of disposition. If documentation cannot be provided, the grantee should be required to reimburse \$575,263 to its CDBG line of credit from non-Federal funds. If documentation can be provided, the grantee should be required to determine and reimburse its local bank account from non-Federal funds the additional program income not already reported and properly report the additional program income in IDIS under the activity ID that generated the income.	575,263
2017-FW-1009	6/29/2017	001-A	We recommend that the Southwest Region Director of Multifamily Housing require Beverly Place's owner to repay HUD \$574,930 for subsidized units that were not occupied by qualified tenants. Repayment must be from non-Federal funds.	574,930
2017-NY-1005	1/13/2017	001-J	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to reallocate the \$573,689 awarded to the ineligible CHDO, thus ensure that the fund is put to better use.	573,689
2017-LA-1001	4/13/2017	003-B	Determine the allocable amount of CDBG payroll costs for the employees who worked on CDBG and non-CDBG activities and adjust the funding amount as necessary or repay the program \$573,064 from non-Federal funds.	573,064
2017-FW-1010	8/16/2017	001-A	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$568,629 in ineligible costs for its violation of procurement requirements. Reimbursement must be from non-Federal funds.	568,629
2017-KC-1003	9/26/2017	001-C	Require the Authority and Majestic Management to support \$568,023 spent on payroll allocated to the projects or repay the projects from non-Federal funds.	568,023
2017-KC-0009	9/26/2017	001-C	Review the identified 3,160 transactions totaling \$555,337 to determine whether they were for official government travel. If they were not for official travel, OCFO should determine whether the cardholders paid the credit bill for the improper charges, request reimbursement when applicable, and take all other appropriate actions.	555,337
2017-CH-1009	9/30/2017	001-A	Reimburse the project from nonproject funds for the \$542,443 in disbursements from the project's general operating fund account that was not used for reasonable operating expenses or necessary repairs of the project.	542,443

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1006	6/9/2017	002-A	Deobligate \$542,289 in fiscal year 2015 capital funds in HUD's system until binding agreements are executed for eligible and reasonable purposes, or coordinate with HUD for terminating its funding.	542,289
2017-NY-1005	1/13/2017	001-M	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to reimburse the \$536,507 in program income to the County's HOME program local bank account and record the income in IDIS.	536,507
2017-FW-1010	8/16/2017	003-A	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$507,218 in ineligible costs for its violation of its home rehabilitation policy and procedure when it exceeded the allowed maximum assistance per home with no cost justifications. Reimbursement must be from non-Federal funds.	507,218
2017-NY-0002	9/29/2017	001-D	We recommend that the Deputy Assistant Secretary for Grant Programs instruct the Newark, NJ, field office to require Jersey City to provide documentation to support the fair market value of the property at the time of disposition. If documentation cannot be provided, the grantee should be required to reimburse \$503,550 to its CDBG line of credit from non-Federal funds. If documentation can be provided, the grantee should be required to determine and reimburse its local bank account from non-Federal funds any additional program income not already reported and properly report the additional program income in IDIS under the activity ID that generated the income.	503,550
2017-FW-1011	8/29/2017	001-C	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to support or repay \$488,883 in unearned property management and inspection fees for 1,028 properties with three or more consecutive unresolved discrepancies in its routine exceptions reports.	488,883
2017-LA-1008	9/13/2017	001-A	Modify the recapture provisions of the 35 home-buyer assistance agreements totaling \$488,519 to meet HUD recapture requirements relating to the sales price, closing costs, and net proceeds.	488,519
2017-KC-1003	9/26/2017	002-B	Require the Authority and Majestic Management to support that the \$487,422 spent on goods and services for the projects was a reasonable cost and the goods and services were procured from eligible vendors or repay the projects from non-Federal funds.	487,422

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1010	9/30/2017	001-A	The County does not reimburse itself with program funds for the \$452,444 in County bond proceeds originally budgeted for the Armstrong Park project and used to pay for flood protection improvements in the Graue Mill subdivision in Hinsdale.	452,444
2017-NY-1005	1/13/2017	001-E	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide disbursement documentation to support the eligibility of the \$435,094 made for the two activities or repay the County's HOME program line of credit from non-Federal source.	435,094
2017-LA-1006	8/9/2017	001-I	Develop and implement written code enforcement policies and procedures to meet CDBG requirements or amend the funding for another CDBG-eligible project. Improving code enforcement controls will result in \$428,373 in funds to be put to better use.	428,373
2017-LA-1801	9/20/2017	001-A	Work with HUD to nullify the restrictions on conveyance that violate HUD policy or indemnify HUD. This action will protect HUD against future losses of \$418,277 for the eight loans.	418,277
2017-PH-1006	9/25/2017	002-B	Request retroactive approval of the fees paid to the identity-of-interest entity totaling \$402,975 and any fees incurred outside our audit period, including fiscal year 2017, when submitting the project owner's or management agent's certification for identity-of-interest agents in response to recommendation 2A. If the request is not approved retroactively, the owner should repay the project from nonproject funds for the amount that was not approved.	402,975
2017-AT-1006	6/9/2017	002-B	Reclassify \$398,022 in fiscal year 2016 capital funds as authorized in HUD's system to an eligible and reasonable activity, or coordinate with HUD for terminating its funding.	398,022
2017-CH-1009	9/30/2017	001-H	Pay the project from nonproject funds for the \$390,583 in uncollected rental revenue.	390,583
2017-CH-1002	7/7/2017	001-L	Determine the amount of the \$387,507 in coordinator grant funds that was appropriately earned by the Authority for meeting requirements. The funds that are determined to be unearned should be reimbursed to HUD from non-Federal funds.	387,507
2017-CH-1009	9/30/2017	001-B	Reimburse the State from nonproject funds for the additional \$384,772 in Medicaid overpayments.	384,772
2017-LA-1802	9/22/2017	001-A	Work with HUD to nullify the restrictions on conveyance that violate HUD policy or indemnify HUD. This action will protect HUD against future losses of \$381,823 for the seven loans.	381,823

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1007	9/28/2017	001-A	Reimburse its program \$373,860 (\$302,638 in ineligible housing assistance payments + \$63,643 in associated administrative fees + \$7,579 in program funds paid to the contractor) from non-Federal funds for the inappropriate payments cited in this finding.	373,860
2017-CH-1007	9/28/2017	001-B	Seek retroactive approval or reimburse its program \$358,237 (\$339,908 in housing assistance payments + \$18,329 in program funds paid to the contractor) for the housing quality standards inspections of units owned by entities substantially controlled by the Authority, completed by contractors that were not approved by HUD.	358,237
2017-NY-1005	1/13/2017	001-G	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide documentation to support that laborers associated with the activity are compensated in compliance with Davis-Bacon wage rates. If documentation cannot be provided, \$567,767 needs to be reimbursed to the County's HOME line of credit from non-Federal sources.	354,750
2017-BO-1003	1/24/2017	001-C	Support or decrease the payables to its management agent for the amounts related to ineligible employee services charges before January 1, 2014, which we estimated to be \$353,420.	353,420
2017-LA-0006	9/21/2017	001-B	Require one grantee to repay the U.S. Treasury \$343,000 from non-Federal funds for ineligible program costs incurred for the project identified in this report.	343,000
2017-LA-1005	6/16/2017	001-C	Implement revised code enforcement program policies and procedures to meet CDBG requirements. This will help ensure that the remaining \$328,918 budgeted for code enforcement activity 531 is put to better use.	328,918
2017-CH-1002	7/7/2017	002-E	Implement adequate procedures and controls to ensure that (1) housing assistance payments are appropriately calculated and supported, (2) repayment agreements are created to recover overpaid housing assistance when unreported income is discovered during the examination process, and (3) annual reexaminations are completed in a timely manner to ensure that \$322,550 in program funds is appropriately used for future payments.	322,550
2017-BO-1003	1/24/2017	001-A	Obtain repayment of \$322,314 from nonproject funds from the management agent for the ineligible bookkeeper and accounts payable clerk's salary and benefits, incurred during 2014 and 2015.	322,314

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1008	9/28/2017	001-B	Support or reimburse HUD from non-Federal funds for the \$305,936 in program administrative funds for which it did not provide sufficient documentation to support that the funds were used for eligible administrative expenses associated with the project for which the funds were drawn.	305,936
2017-FW-1010	8/16/2017	004-C	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support that subrecipient 3 met a national objective, environmental requirements, and client eligibility or repay \$304,975 to its CDBG line of credit from non-Federal funds.	304,975
2017-PH-1003	5/22/2017	002-A	Reimburse the project \$296,787 from nonproject funds for the ineligible legal expenses.	296,787
2017-KC-0003	5/22/2017	002-A	Update Handbook 4000.1 to require the voluntary termination of insurance consent form to include an explanation that voluntary termination differs from mortgage insurance premium cancellation and the disclosure of any outstanding partial claims to put \$285,215 to better use.	285,215
2017-LA-1004	6/13/2017	001-D	Remove \$283,307 in ineligible accrued salary fees payable from its financial statements and records and ensure that these expenses are not accrued or paid for with project funds.	283,307
2017-PH-1002	3/24/2017	001-A	Pay the project \$282,578 from non-project funds for the fair value of the commercial rent not collected from the lessees.	282,578
2017-LA-1004	6/13/2017	001-C	Repay the project from non-project funds \$263,289 for ineligible salary expenses.	263,289
2017-NY-1005	1/13/2017	001-R	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide documents, such as pay stubs and bank statements, to support the eligibility of the two home buyers. If documentation cannot be provided, reimburse \$260,736 from non-Federal sources to the County's HOME program line of credit.	260,736
2017-FW-1010	8/16/2017	002-B	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support that environmental requirements were met for the roof replacement of a food bank or repay \$260,000 to its CDBG line of credit from non-Federal funds.	260,000
2017-AT-1007	7/17/2017	001-E	Reprogram the remaining NSP1 funds of \$219,851 and NSP3 funds of \$28,745 to another subrecipient or developer or return the funds to the U.S. Treasury.	248,596

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1007	8/24/2017	001-A	Recapture the \$248,222 in excess program funds from the Authority and allocate in the pool for other tribes to use in meeting program objectives.	248,222
2017-NY-1005	1/13/2017	001-K	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to reimburse \$242,269 to the County's HOME program line of credit for CHDO reserve fund disbursed to the ineligible CHDO.	242,269
2017-FW-1013	9/14/2017	001-A	We recommend that the Director of HUD's Houston Office of Community Planning and Development require the Department to support the \$240,010 in unsupported procurement payments or repay its CDBG program from non-Federal funds.	240,010
2017-NY-1005	1/13/2017	001-L	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide documentation to support that at least one-third of the Homefirst board were representatives of a low-income community. If documentation cannot be provided, reimburse the \$227,903 to the County's HOME program line of credit from non-Federal sources.	227,903
2017-PH-0001	9/5/2017	001-A	Direct responsible field offices to require the grantees identified by the audit to either provide documentation to support \$227,260 in unsupported payments or reimburse their programs from non-Federal funds for costs they cannot support.	227,260
2017-AT-1004	5/8/2017	001-B	Provide documentation to support that the \$224,868 in NSP2 funds drawn down from the four vouchers was eligible or repay the program from non-Federal funds.	224,868
2017-LA-1006	8/9/2017	001-G	Support the eligibility of the \$218,028 in antigraffiti costs or repay the program from non-Federal funds.	218,028
2017-AT-1006	6/9/2017	002-C	Coordinate with HUD for terminating the allocation of the remaining \$217,553 funds given the Authority's current intentions to not build or purchase public housing units.	217,553
2017-NY-1013	9/28/2017	001-B	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to provide documentation to show that the \$217,403 paid for legal, fee accounting, management consulting, and auditing services was reasonable or reimburse its Capital Fund or Operating Fund from non-Federal funds for any amount that it cannot support or that is not considered reasonable.	217,403

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1009	9/30/2017	001-C	Support or reimburse the project from nonproject funds for the \$189,524, as appropriate, in disbursements from the project's general operating fund account without sufficient documentation showing that the disbursements were for reasonable operating expenses of the project.	189,524
2017-NY-1013	9/28/2017	001-D	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to provide documentation to show that \$187,492 in 2013 and 2014 capital fund obligations or reimburse HUD from non-Federal funds for any amount that it cannot support.	187,492
2017-FW-1010	8/16/2017	002-C	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support that environmental requirements were met for homeowner rehabilitation or repay \$181,053 to its CDBG line of credit from non-Federal funds.	181,053
2017-CH-1008	9/28/2017	001-C	Support or reimburse HUD from non-Federal funds for the \$170,995 in program income for which it did not provide sufficient documentation to support that the funds were used for the project that generated the income (\$147,534) and for eligible activities (\$23,461).	170,995
2017-PH-1003	5/22/2017	001-C	Provide documentation to support payments totaling \$163,885 or reimburse the project from nonproject funds for payments that it cannot support.	163,885
2017-CH-1007	9/28/2017	002-A	Reimburse its program \$163,316 from non-Federal funds (\$29,074 in housing assistance due to calculation errors + 74,957 due to inappropriate voucher sizes, payment standards, and utility allowances + \$18,141 + \$41,144 in administrative fees) for the inappropriate payments cited in this finding.	163,316
2017-LA-1004	6/13/2017	001-M	Pay the project from non-project funds \$162,462 in lease agreement charges not deposited into Cypress Meadows' bank account.	162,462
2017-BO-0001	3/22/2017	001-C	Seek reimbursement for \$161,718 in ineligible funds disbursed for equipment and support services not specified in a scanning services contract.	161,718
2017-FW-1009	6/29/2017	001-B	We recommend that the Southwest Region Director of Multifamily Housing require Beverly Place's owner to provide support to show that the subsidies for 11 tenants with falsified income were accurate or repay HUD \$150,082 for those subsidies. Repayment must be from non-Federal funds.	150,082

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-1002	3/3/2017	001-A	Require New Horizons to repay HUD from project funds if available (otherwise, from nonproject funds) \$144,556 in housing assistance payments for tenants who were not eligible for assistance or not living in units.	144,556
2017-LA-1003	6/2/2017	001-C	Support \$142,181 spent on payroll allocated to HUD grants or repay the program from non-Federal funds.	142,181
2017-NY-1013	9/28/2017	001-E	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to reimburse HUD \$139,423 in replacement housing factor funds not disbursed by the expenditure deadline from its replacement housing factor funds or reduce its future capital funds.	139,423
2017-LA-1006	8/9/2017	001-D	Repay the program \$139,071 from non-Federal funds for ineligible tire team code enforcement program costs.	139,071
2017-BO-1003	1/24/2017	001-B	Decrease the payable to the management agent by \$139,027 for ineligible employee services billed during 2014 and 2015, thereby reducing future expenditures because project funds will not be used for these ineligible expenses when funds become available.	139,027
2017-LA-1004	6/13/2017	001-F	Remove \$129,416 in ineligible accrued offsite accounting fees payable from its financial statements and records and ensure that these expenses are not accrued or paid for with project funds.	129,416
2017-CH-1002	7/7/2017	001-K	Develop and implement procedures and controls to ensure that (1) documentation required by HUD and its own action plan is correctly completed, documented, and updated; (2) escrow account balances are correctly calculated and disbursed; and (3) escrow accounts and disbursements are fully supported to ensure that \$127,544 in coordinator grant funds is appropriately used over the next year.	127,544
2017-FW-1010	8/16/2017	004-A	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support that subrecipient 1 met a national objective, environmental requirements, and client eligibility or repay \$123,831 to its CDBG line of credit from non-Federal funds.	123,831
2017-LA-1004	6/13/2017	001-E	Repay the project from non-project funds \$110,710 for ineligible offsite accounting expenses.	110,710

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1010	8/16/2017	003-B	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$110,647 in ineligible costs for the rehabilitation costs that exceeded the allowed HOME value limits. Reimbursement must be from non-Federal funds.	110,647
2017-LA-1005	6/16/2017	001-D	Support the reasonableness of the \$110,000 Graffiti Removal program (activities 504 and 520) cost allocations or repay the program from non-Federal funds.	110,000
2017-KC-1003	9/26/2017	001-D	Require the Authority and Majestic Management to reimburse from non-Federal funds the \$109,665 in ineligible expenses that Majestic Management charged to the projects.	109,665
2017-CH-1010	9/30/2017	001-C	Deobligate the \$109,270 in program funds obligated for ineligible activities in its construction contracts for the West Branch DuPage River Flood Control and Springbrook Culvert projects.	109,270
2017-CH-1007	9/28/2017	002-G	Implement adequate procedures and controls to ensure that (1) housing assistance payments are appropriately calculated and supported, (2) households reside in units that are affordable, and (3) repayment agreements are created to recover overpaid housing assistance when unreported income is discovered during the examination process to ensure that \$108,214 (\$103,841 in potential overpayments + \$4,373 in potential underpayments of housing assistance) in program funds is appropriately used for future payments.	108,214
2017-NY-1008	3/10/2017	001-K	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide documentation to justify the \$106,971 in unsupported rent that was written off for 52 tenants. Any amount determined to be ineligible should be repaid from non-Federal funds to the Operating Fund.	106,971
2017-PH-1001	3/22/2017	001-C	Provide documentation to show that costs totaling \$100,000 for activity 6865 benefited the activity or repay its program from non-Federal funds for any amount that it cannot support.	100,000
2017-LA-1004	6/13/2017	001-G	Repay the project from non-project funds \$99,160 for ineligible personal health insurance expenses of the owner.	99,160
2017-CH-1010	9/30/2017	001-D	Support or reimburse its program from non-Federal funds \$98,507 for the program funds used for project management services without sufficient documentation to support that the use of the funds was reasonable.	98,507

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1005	6/16/2017	001-F	Support the reasonableness of the \$95,736 in cost allocations charged as CDBG administrative (activity 522) costs or repay the costs from non-Federal funds.	95,736
2017-NY-1005	1/13/2017	001-O	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to disburse the \$92,557 to pay eligible HOME costs before making additional drawdowns from LOCCS.	92,557
2017-NY-1008	3/10/2017	001-H	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to obtain retroactive approval from HUD for the \$90,000 lawsuit settlement related to a former employee. If approval is not obtained, the Authority should reimburse \$90,000 to the Operating Fund from non-Federal funds.	90,000
2017-NY-1008	3/10/2017	001-A	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide supporting documentation to justify the \$88,534 in unsupported travel and training costs related to out-of-State trainings, meetings, and conferences. Any amount determined to be ineligible should be repaid from non-Federal funds to the Operating Fund.	88,534
2017-NY-1013	9/28/2017	001-G	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to reimburse its project from non-Federal funds for \$87,116 in excessive management fees charged for units undergoing demolition.	87,116
2017-FW-1012	9/6/2017	001-C	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support that rents were within the rent guidelines or repay tenants and/or HUD from non-Federal funds for rent overpayments of \$82,800 at Rosa Keller.	82,800
2017-AT-1005	5/24/2017	001-A	Provide supporting documentation or reimburse its Program \$81,654 from non-Federal funds for unsupported on-the-job training costs incurred under project FL0220L4D001407.	81,654
2017-FW-1009	6/29/2017	001-C	We recommend that the Southwest Region Director of Multifamily Housing require Beverly Place's owner to provide support to show that the subsidies for 18 tenants without files or without adequate income documentation in their files were accurate or repay HUD \$77,621 for those subsidies. Repayment must be from non-Federal funds.	77,621

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1005	8/25/2017	001-E	Implement adequate quality control procedures to ensure that housing assistance payments are appropriately calculated and supported. These procedures and controls should ensure that \$76,107 in program funds are appropriately used for future payments.	76,107
2017-FW-1010	8/16/2017	002-D	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$73,186 in ineligible costs for its statutory violation of environmental requirements when it rehabilitated a home without completing the environmental review. Reimbursement must be from non-Federal funds.	73,186
2017-LA-1001	4/13/2017	003-C	Repay \$71,397 to the program from non-Federal funds for the use of CDBG funds for code enforcement costs related to general government expenses.	71,397
2017-AT-1010	8/4/2017	001-A	Reimburse the program \$70,992 (\$63,312 + \$7,680) from non-Federal funds for housing assistance payments made and administrative fees received for the units that materially failed to meet HUD's housing quality standards.	70,992
2017-FW-1010	8/16/2017	003-E	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support payroll wages charged to the CDBG grant or repay \$69,254 to its CDBG line of credit from non-Federal funds.	69,254
2017-FW-1010	8/16/2017	004-B	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support that subrecipient 2 met a national objective, environmental requirements, and client eligibility or repay \$69,000 to its CDBG line of credit from non-Federal funds.	69,000
2017-LA-1004	6/13/2017	001-K	Provide documentation to support that \$65,232 in disbursements was used on reasonable and necessary operating expenses or repay the project from non-project funds.	65,232
2017-NY-1008	3/10/2017	001-E	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to reimburse the Operating Fund from non-Federal funds for \$61,145 in ineligible expenditures for personal expenses, such as meals, grocery items, gift cards, flowers, golf, an award dinner, Costco and AAA memberships, and a church deduction.	61,145

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1010	8/16/2017	002-A	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to support that environmental requirements and client eligibility were met for dental services or repay \$59,604 to its CDBG line of credit from non-Federal funds.	59,604
2017-AT-1004	5/8/2017	001-A	Reimburse NSP2 from non-Federal funds for the \$59,523 in ineligible disbursements on the five vouchers.	59,523
2017-FW-1004	4/6/2017	001-D	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to support the cost reasonableness or repay its program from non-Federal funds \$58,873 paid to its surveyor contractor for the sole-sourced contract without an adequate cost analysis.	58,873
2017-CH-1002	7/7/2017	001-A	Reconcile the \$58,457 difference among its system report and subsidiary ledger and the information reported in HUD's system (\$1,944 in monthly escrow deposits + \$521 difference in monthly escrow deposits between HUD's system and the amount reported in the Voucher Management system + the average difference of \$55,992 in total escrow account balances) to ensure that the monthly escrow deposits and total escrow balances are appropriately reported in HUD's system and provide the supporting documentation to HUD.	58,457
2017-PH-1006	9/25/2017	001-B	Provide documentation to show that other direct costs totaling \$56,021 and any direct costs incurred outside our audit period, including fiscal year 2017, were reasonable and necessary expenses for the operation of the project or repay the project from nonproject funds for any amount that it cannot support.	56,021
2017-LA-1006	8/9/2017	001-H	Support the eligibility of the \$55,000 subrecipient drawdown or repay the program from non-Federal funds.	55,000
2017-CH-1008	9/28/2017	001-D	Support or reimburse HUD from non-Federal funds for the \$54,770 in program funds for which it did not provide sufficient documentation to support that the funds were used for eligible project expenses for supportive services (\$26,036) and leasing (\$28,734).	54,770
2017-CH-1005	8/25/2017	001-A	Reimburse HUD \$52,932 from non-project funds for the overpayment of housing assistance and utility allowances due to incorrect calculations.	52,932

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1009	9/30/2017	001-E	Support or reimburse the project from nonproject funds for the \$51,261, as appropriated, in credit card purchases without sufficient documentation showing that the purchases were for reasonable operating expenses or necessary repairs of the project.	51,261
2017-AT-1007	7/17/2017	001-B	Provide adequate support for expenses totaling \$48,985. Any expenses that are not supported should be repaid to the appropriate NSP grant from non-Federal funds.	48,985
2017-LA-1001	4/13/2017	003-A	Repay \$48,323 to the program from non-Federal funds for non-program-related payroll costs.	48,323
2017-PH-1007	9/28/2017	001-B	Reimburse its program \$46,605 from non-Federal funds (\$44,214 for housing assistance payments and \$2,391 in associated administrative fees) for the 22 units that materially failed to meet HUD's housing quality standards.	46,605
2017-FW-1006	4/26/2017	001-H	Provide support for the reasonableness of the unit repairs costs totaling \$44,994 and repay from nonfederal funds any unsupported or unreasonable amount.	44,994
2017-PH-1002	3/24/2017	001-D	Provide documentation to show that the \$39,920 paid to replace an air conditioning system was fair and reasonable or repay the project from nonproject funds any amount determined not to be fair and reasonable (excluding any amount repaid as a result of recommendation 1C).	39,920
2017-NY-1008	3/10/2017	001-N	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide documentation to justify \$37,671 that did not have receipts or other support showing how these transactions were used for low-income housing and benefited the residents or repay the program income account from non-Federal funds for any amount not supported.	37,671
2017-PH-1002	3/24/2017	001-B	Request approval from HUD to lease the commercial space. If HUD approves the request, then execute a lease at fair market rent thereby increasing the project's rent revenue by at least \$36,858 per year.	36,858
2017-CH-1002	7/7/2017	002-A	Reimburse its program \$34,666 from non-Federal funds (\$21,990 + \$12,676 in administrative fees) for the overpayment of housing assistance due to inappropriate calculations of housing assistance.	34,666
2017-LA-1001	4/13/2017	003-D	Revise its code enforcement program to meet CDBG requirements for the remaining \$33,603 budgeted or amend the use of the funding to another CDBG-eligible activity.	33,603

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1005	8/25/2017	001-C	Reimburse HUD \$32,334 for the overpayment of housing assistance due to unreported, and underreported income, or income reported late. This reimbursement is either from non-project funds or collections from applicable households.	32,334
2017-PH-1002	3/24/2017	001-C	Request approval from HUD for the \$31,769 in project operating funds spent on building improvements or repay the project from nonproject funds for any amount not approved.	31,769
2017-LA-1005	6/16/2017	001-E	Support the \$31,186 After School program (activity 501) costs, including the reasonableness of the contract costs and meeting the limited clientele national objective, or repay the program from non-Federal funds.	31,186
2017-AT-1009	7/21/2017	001-A	Adequately support or reimburse its HOPWA program \$31,157 from non-Federal funds for the inappropriate disbursements.	31,157
2017-FW-1004	4/6/2017	001-C	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to support the cost reasonableness or repay its program from non-Federal funds \$30,702 paid to its construction contractor for cost increases without adequate cost analyses.	30,702
2017-FW-1007	5/17/2017	001-B	We recommend that the Program Center Coordinator, Office of Public Housing, Oklahoma City, OK, require the Authority to support or repay \$28,574 from non-Federal funds to its Section 8 program for unsupported payments based on questionable income calculations.	28,574
2017-FW-1006	4/26/2017	001-A	Repay from nonfederal funds \$27,818 to its Capital Funds program from non-Federal funds for the ineligible purchase of the truck and expenditure of 2013 funds before they were available.	27,818
2017-NY-1008	3/10/2017	001-B	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide supporting documentation to justify the \$27,599 in unsupported training travel and per diem expenses related to quarterly meetings and trainings offered by HAI. Any amount determined to be ineligible should be repaid from non-Federal funds to the Operating Fund.	27,599
2017-NY-1008	3/10/2017	001-C	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide supporting documentation to justify the \$27,487 reimbursed to Authority officials for various costs, such as health coverage waiver incentives, supplies, food, and decorations. Any amount determined to be ineligible should be repaid from non-Federal funds to the Operating Fund.	27,487

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1802	9/22/2017	001-B	Repay HUD \$26,472 for partial claims paid on one FHA loan that contained prohibited restrictive covenants.	26,472
2017-LA-1803	9/28/2017	001-B	Repay HUD \$26,242 for partial claims paid on two FHA loans that contained prohibited restrictive covenants.	26,242
2017-CH-1003	7/14/2017	001-A	Reimburse its program \$25,133 (\$17,174 in housing assistance payments + \$7,959 in associated administrative fees) from non-Federal funds for the overpayment of housing assistance and utility allowances due to inappropriate calculations.	25,133
2017-PH-1002	3/24/2017	001-E	Remove the \$25,000 lien on the project property.	25,000
2017-CH-1002	7/7/2017	001-G	Reimburse its Housing Choice Voucher program \$23,475 from non-Federal funds for the two ineligible interim and three ineligible graduation disbursements cited in this finding.	23,475
2017-FW-1005	4/25/2017	001-C	Support that it properly used the funds collected or repay its program \$23,463 from non-Federal funds.	23,463
2017-FW-1013	9/14/2017	001-B	We recommend that the Director of HUD's Houston Office of Community Planning and Development require the Department to report \$22,872 in program income to HUD and properly use program income.	22,872
2017-NY-1008	3/10/2017	001-M	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to reimburse the program income account from non-Federal funds for \$21,857 in ineligible expenditures for golf outings, banquets, or dinner shows.	21,857
2017-CH-1009	9/30/2017	001-D	Support or reimburse the project from nonproject funds for the \$20,000 value of the project's van, which was transferred without sufficient documentation showing that the transfer was for reasonable operating expenses.	20,000
2017-LA-1006	8/9/2017	001-E	Repay the program \$19,919 from non-Federal funds for ineligible antigraffiti program salary costs.	19,919
2017-CH-1011	9/30/2017	001-B	Reimburse HUD \$19,280 in ineligible management fees for 20 properties for which initial services were improperly performed before promotion to ready-to-show status.	19,280
2017-NY-1007	2/17/2017	001-A	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage to repay the \$19,136 in ineligible holding costs to the FHA insurance fund.	19,136

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-BO-1006	8/18/2017	003-A	Provide documentation to support that \$18,501 in credit card charges was spent for reasonable and necessary costs. Any amount that cannot be supported should be repaid from non-Federal funds and returned to the Housing Choice Voucher and public housing programs.	18,501
2017-CH-1002	7/7/2017	001-D	Support or transfer \$17,266 from its program account to its Housing Choice Voucher program for the 11 unsupported escrow calculations cited in this finding.	17,266
2017-KC-1002	3/3/2017	001-C	Require New Horizons to support that \$16,687 in tenant rents was collected and deposited as required or repay the project from nonproject funds.	16,687
2017-AT-1005	5/24/2017	001-E	Provide supporting documentation to show that participant 87487 from FL0431L4D001403 was chronically homeless or reimburse its Program \$15,756.	15,756
2017-NY-1006	1/31/2017	001-A	We recommend that the Director of HUD's New York Office of Public Housing require Authority officials to reimburse the public housing program from non-Federal funds for \$15,020 in ineligible expenditures for executive staff travel, food, beverages, and musical entertainment.	15,020
2017-DE-1003	9/21/2017	001-C	Repay its project's operating account for the ineligible \$15,000 disbursement from non-project funds.	15,000
2017-AT-1009	7/21/2017	001-B	Reimburse its HOPWA program \$14,017 from non-Federal funds for the inappropriate disbursements.	14,017
2017-PH-1002	3/24/2017	001-I	Recalculate the project's annual surplus cash balances for 2013, 2014, and 2015 after resolution of recommendations 1A, 1C, 1D, and 1F to determine whether the project should make additional payment to HUD from surplus cash toward its mortgage beyond the \$13,740 that it paid during the audit.	13,740
2017-NY-1008	3/10/2017	001-J	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to provide documentation to support that \$13,340 in rent collected in March 2016 was deposited into an appropriate bank account or repay the Operating Fund from non-Federal funds for any amount not properly deposited.	13,340
2017-NY-1006	1/31/2017	001-B	We recommend that the Director of HUD's New York Office of Public Housing require Authority officials to provide supporting documentation to justify the \$13,329 in unsupported expenditures charged to the public housing program. Any amount determined to be ineligible should be repaid from non-Federal funds to the public housing program's operating account.	13,329

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1013	9/28/2017	001-B	Support or reimburse HUD \$13,058 from non-Federal funds for the drawdowns after program grant expiration.	13,058
2017-FW-1007	5/17/2017	001-A	We recommend that the Program Center Coordinator, Office of Public Housing, Oklahoma City, OK, require the Authority to repay \$12,739 from non-Federal funds to its Section 8 program for ineligible payments based on incorrect housing assistance payment calculations, incorrect payment standards and utility allowances, and unreported income.	12,739
2017-LA-1008	9/13/2017	002-A	Revise and implement written policies and procedures for managing and accurately tracking all NSP3 activity to ensure that the \$12,275 in identified closing cost refunds and any additional refunds identified in recommendation 2B are not overpaid by recipients.	12,275
2017-PH-1004	6/9/2017	001-B	Reimburse its program \$9,715 from non-Federal funds (\$9,660 for housing assistance payments and \$55 in associated administrative fees) for the unit that materially failed to meet HUD's housing quality standards.	9,715
2017-CH-1002	7/7/2017	002-C	Pursue collection from the applicable households or reimburse its program \$9,644 from non-Federal funds for the overpayment of housing assistance due to unreported or underreported income.	9,644
2017-FW-1010	8/16/2017	003-D	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reclassify the \$9,476 to program administration and recalculate its cap to determine whether it exceeded the allowed 20 percent. Any amount that is over the allowed cap would be ineligible, and repayment of the overage amount to its CDBG line of credit would be required. Reimbursement must be from non-Federal funds.	9,476
2017-CH-1007	9/28/2017	002-B	Reimburse the appropriate households \$9,280 (\$2,588 in housing assistance underpayments due to calculation errors + \$6,692 due to inappropriate voucher sizes, payment standards, and utility allowances) from program funds for the inappropriate underpayments cited in this finding.	9,280
2017-PH-1002	3/24/2017	001-F	Repay the project \$8,597 from nonproject funds for the ineligible expenses it incurred for management fee and gas utility expenses that were identified by the audit and any additional management fee and gas utility expenses improperly paid outside of our review period.	8,597

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1008	3/10/2017	001-F	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to reimburse the Operating Fund from non-Federal funds for \$8,190 in ineligible salary advance.	8,190
2017-FW-1011	8/29/2017	001-B	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to repay \$8,034 in ineligible monthly management and inspection fees for 57 sample properties with health and safety hazards or significant not-ready-to-show conditions.	8,034
2017-PH-1802	6/28/2017	001-A	Acknowledge that the attached settlement agreement for \$10,000 represents an amount due HUD. As of April 18, 2017, a settlement agreement for \$10,000, plus interest, had been reached, and it represents an amount due HUD. In the settlement agreement, the borrower agreed to make an initial payment of \$2,000 and 47 timely monthly payments of \$200, with final payment expected by February 28, 2021. In accordance with HUD Handbook 2000.06, REV-4, the final action target date will be set at March 31, 2021. At issuance of this memorandum, we will enter a management decision into HUD's Audit Resolution and Corrective Action Tracking System, along with any supporting payment information received to date.	8,000
2017-CH-1010	9/30/2017	001-B	The \$7,677 (\$460,121 - \$452,444) in remaining County bond proceeds originally budgeted for the Armstrong Park project are used for eligible program activities.	7,677
2017-CH-1002	7/7/2017	001-E	Transfer \$7,574 from its program account to its Housing Choice Voucher program account for the five participants with overfunded escrows.	7,574
2017-FW-1006	4/26/2017	001-B	Repay from nonfederal funds its HUD programs \$7,446 for the executive director's personal use of the Authority's equipment, and amend the executive director's prior Internal Revenue Forms W-2 to include the annual personal use of \$5,888 as income.	7,446
2017-LA-1005	6/16/2017	001-A	Repay the program \$7,323 from non-Federal funds for ineligible code enforcement costs.	7,323
2017-NY-1008	3/10/2017	001-L	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to collect \$7,164 in outstanding rent from the resident commissioner and if past-due rent is not paid, take appropriate legal action.	7,164
2017-CH-1002	7/7/2017	001-H	Reimburse two participants \$7,076 from its Housing Choice Voucher program account for the underfunded graduation payments cited in this finding.	7,076

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1002	7/7/2017	001-F	Support or reimburse its Housing Choice Voucher program \$6,839 from non-Federal funds for the one unsupported interim disbursement and five unsupported graduation disbursements cited in this finding.	6,839
2017-CH-1011	9/30/2017	001-C	Reimburse HUD \$6,525 in ineligible routine inspection fees for 93 properties that contained property preservation and protection deficiencies.	6,525
2017-CH-1005	8/25/2017	001-D	Support or reimburse HUD \$6,444 from non-project funds for the unsupported payments of housing assistance cited in the finding.	6,444
2017-BO-1006	8/18/2017	001-C	Deobligate \$6,100 from the asbestos abatement procurement and redistribute the funds to the public housing programs for eligible purposes.	6,100
2017-AT-1011	8/21/2017	001-F	Enter into a repayment agreement with Community Management Corporation for the improper housing assistance payments of \$5,912 to be repaid to the project-based voucher program or repay the project-based voucher program from non-Federal funds.	5,912
2017-LA-1801	9/20/2017	001-B	Repay HUD \$5,482 for partial claims paid on two FHA loans that contained prohibited restrictive covenants.	5,482
2017-CH-1009	9/30/2017	001-G	Reimburse the project from nonproject funds for the \$5,302 in petty cash expenditures that was not used for reasonable operating expenses of the project.	5,302
2017-KC-1801	2/23/2017	001-A	Acknowledge that the settlement agreement for \$5,000 represents an amount due HUD.	5,000
2017-LA-1001	4/13/2017	001-D	Provide supporting documentation for \$4,955 in unsupported costs or repay the program from non-Federal funds.	4,955
2017-FW-1006	4/26/2017	001-C	Repay from nonfederal funds its HUD programs \$4,739 paid to its fee accountant, which had a conflict of interest with the executive director.	4,739
2017-CH-1002	7/7/2017	001-C	Transfer \$4,684 from its Housing Choice Voucher program account to its program account for the 12 participants with underfunded escrows.	4,684
2017-LA-1006	8/9/2017	001-C	Repay the program \$4,565 from non-Federal funds for ineligible code enforcement program costs.	4,565

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-BO-1006	8/18/2017	003-B	Provide documentation to support that \$4,530 in petty cash funds was spent for reasonable and necessary costs. Any amount that cannot be supported should be repaid from non-Federal funds and returned to the Housing Choice Voucher and public housing programs.	4,530
2017-LA-1004	6/13/2017	001-H	Repay the project from non-project funds \$4,179 for excessive bank fees.	4,179
2017-NY-1008	3/10/2017	001-G	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to reimburse the Operating Fund from non-Federal funds for the \$4,048 in ineligible civil service fines.	4,048
2017-FW-1006	4/26/2017	001-G	Repay from nonfederal funds its HUD programs \$4,000 paid for an ineligible 2011 training conference.	4,000
2017-PH-1003	5/22/2017	002-B	Reimburse HUD \$3,892 from nonproject funds for the overpayment of housing assistance.	3,892
2017-FW-1013	9/14/2017	001-C	We recommend that the Director of HUD's Houston Office of Community Planning and Development require the Department to correct its HOME matching liability report to include the recalculated amount for 2014 and pay the matching liability of \$3,301.	3,301
2017-CH-1007	9/28/2017	002-E	Reimburse the appropriate households \$3,178 from non-Federal funds for the rent amount paid in excess of 40 percent of the adjusted monthly income for the units that were not affordable.	3,178
2017-AT-1004	5/8/2017	001-C	Provide documentation to support that the differences resulting from the payroll costs for the three vouchers, which netted \$3,169, were offset in later drawdown vouchers or repay the program from non-Federal funds.	3,169
2017-LA-1001	4/13/2017	001-C	Support the cost reasonableness of \$2,809 in change orders for the ADA pool improvement project or repay the program from non-Federal funds.	2,809
2017-BO-1006	8/18/2017	001-B	Reimburse the Housing Choice Voucher and public housing programs \$2,752 from non-Federal sources for improper conflict-of-interest purchases.	2,752
2017-CH-1003	7/14/2017	002-D	Support its general ledger and bank account balances or transfer \$2,547 (\$2,334 for the overfunded general ledger account + \$213 for the overfunded program bank account) from its Family Self-Sufficiency program account to its Housing Choice Voucher program account for the overfunded accounts cited in the finding.	2,547

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1007	9/28/2017	002-C	Support or reimburse its program \$2,533 from non-Federal funds for the unsupported payments of housing assistance cited in this finding.	2,533
2017-AT-1010	8/4/2017	002-A	Reimburse the program \$2,492 (\$2,286 in housing assistance payments and \$206 in administrative fees received) from non-Federal funds for rental subsidies not abated on four units.	2,492
2017-CH-1009	9/30/2017	001-F	Reimburse the project from nonproject funds for the \$2,020 in credit card purchases that was not used for reasonable operating expenses of the project.	2,020
2017-CH-1002	7/7/2017	002-D	Support or reimburse its program \$1,666 from non-Federal funds for the unsupported payments of housing assistance cited in this finding.	1,666
2017-LA-1008	9/13/2017	002-D	Repay the program \$1,495 for closing cost expenses not incurred from non-Federal funds and remove the expenses from program records if the City incorrectly recorded the refunds as program income.	1,495
2017-FW-1010	8/16/2017	004-E	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$1,400 in ineligible costs for its failure to provide subrecipient oversight, which should have identified the ineligibility of clients whose income exceed the threshold as reported. Reimbursement must be from non-Federal funds.	1,400
2017-LA-1004	6/13/2017	001-I	Repay the project from non-project funds \$1,352 for expenses related to the identity-of-interest hair salon.	1,352
2017-FW-1006	4/26/2017	001-D	Repay from nonfederal funds its HUD programs \$1,273 lost on the conflict of interest sale of the Authority's vehicle to the executive director's daughter.	1,273
2017-CH-1002	7/7/2017	002-B	Reimburse the appropriate households \$1,265 from program funds for the underpayment of housing assistance due to inappropriate calculations.	1,265
2017-PH-1801	1/6/2017	001-A	Acknowledge that the attached settlement agreement for \$1,500 represents an amount due HUD.	1,200
2017-CH-1008	9/28/2017	001-E	Reimburse HUD from non-Federal funds for the \$1,165 in program funds used for improper supportive service expenses.	1,165
2017-FW-1006	4/26/2017	001-E	Repay from nonfederal funds its HUD programs \$1,034 for ineligible charges on the Authority's credit cards.	1,034

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1005	5/24/2017	001-B	Provide supporting documentation or reimburse its Program \$1,023 from non-Federal funds for unsupported personal cell phone costs incurred under project FL0220L4D001407.	1,023
2017-AT-1013	9/28/2017	001-A	Support or reimburse its ESG program participants \$705 from non-Federal funds for the inadequately supported pay request.	705
2017-FW-1006	4/26/2017	001-F	Support or repay from nonfederal funds its HUD programs \$652 for unsupported charges on the Authority's credit card.	652
2017-CH-1005	8/25/2017	001-B	Reimburse the appropriate households \$566 from non-project funds for the underpayment of housing assistance due to incorrect calculations.	566
2017-FW-1010	8/16/2017	004-D	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$565 in ineligible costs for its failure to provide subrecipient oversight, which should have identified that the subrecipient had incorrectly applied eligibility requirements for homeless clients served. Reimbursement must be from non-Federal funds.	565
2017-LA-1007	8/24/2017	002-A	Support the eligibility of the reported \$548 in unsupported program costs or repay its program using non-Federal funds.	548
2017-FW-1010	8/16/2017	003-C	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to reimburse its CDBG line of credit for \$474 in ineligible costs for violation of Federal travel regulations. Reimbursement must be from non-Federal funds.	474
2017-CH-1007	9/28/2017	002-D	Pursue collection from the applicable households or reimburse its program \$470 from non-Federal funds for the overpayment of housing assistance due to unreported or underreported income.	470
2017-CH-1003	7/14/2017	002-C	Reimburse the appropriate households \$375 from program funds for the underpaid escrow disbursements.	375
2017-LA-1001	4/13/2017	003-E	Determine the CDBG proportional benefit of the \$329 charged for indirect automotive costs and repay the program any unsupported charges using non-Federal funds.	329
2017-LA-1008	9/13/2017	002-C	Repay \$95 from non-Federal funds to the two recipients who paid more than the assistance provided (appendix E).	95

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-0002	9/29/2017	001-G	We recommend that the Deputy Assistant Secretary for Grant Programs instruct the Los Angeles, CA, field office to require the County of Los Angeles to reclassify program income to the activity ID in IDIS that generated the income, ensuring that the \$300,330 in program income is properly accounted for.	0
2017-NY-0002	9/29/2017	001-H	We recommend that the Deputy Assistant Secretary for Grant Programs instruct the Milwaukee, WI, field office to document that no portion of the four State of Wisconsin's activities reviewed is currently subject to the change of use requirements or remind the State of Wisconsin that the portions of the activities related to the voluntary grant reductions are still subject to the change of use requirements.	0
2017-NY-0002	9/29/2017	001-C	We recommend that the Deputy Assistant Secretary for Grant Programs instruct the Newark, NJ, field office to require Jersey City to provide documentation to show that a notice was provided to affected citizens as required or take action to advise affected citizens that they disposed of the property.	0
2017-NY-0002	9/29/2017	001-F	We recommend that the Deputy Assistant Secretary for Grant Programs instruct the Philadelphia, PA, field office to require Luzerne County to reclassify program income already reported to the activity ID in IDIS that generated the income, ensuring that the \$798,273 in program income is properly accounted for.	0
2017-NY-0002	9/29/2017	001-A	We recommend that the Deputy Assistant Secretary for Grant Programs issue guidance reminding grantees of the requirement to properly report the addresses of assisted properties in IDIS and properly calculate and report program income from the disposition of these properties.	0
2017-NY-0002	9/29/2017	001-I	We recommend that the Deputy Assistant Secretary for Grant Programs issue guidance to HUD staff and grantees to clarify the applicability of change of use requirements in cases where there is both a repayment from non-Federal funds and a voluntary grant reduction.	0
2017-CH-1011	9/30/2017	001-E	Assess BLM's performance under the area 4P contract at least quarterly to determine whether it has improved its performance. If its performance does not improve, HUD in coordination with the Office of the Chief Procurement Officer should determine whether BLM has defaulted on its contract and take the appropriate actions.	0
2017-CH-1011	9/30/2017	001-A	Certify and provide supporting documentation showing that the identified deficiencies have been corrected for the 8 of 109 properties cited in this audit report.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1009	9/30/2017	001-I	Determine the market value of the operating rights for the 10 licensed beds sold in April 2015. If the licensed beds were sold for less than market value, the owner should reimburse the project from nonproject funds for the difference between the market value and the \$150,000 sales price of the operating rights for the 10 licensed beds.	0
2017-CH-1010	9/30/2017	001-E	Improve its procedures and controls to ensure that the County administers the program in accordance with Federal requirements.	0
2017-CH-1007	9/28/2017	002-I	Ensure that its staff is properly trained and familiar with HUD's and its own requirements regarding program housing assistance calculations, applying appropriate voucher sizes, and when to apply changes to households' payment standards and utility allowances.	0
2017-CH-1007	9/28/2017	002-H	Evaluate its quality control process to ensure that calculation, voucher size, payment standard, and utility allowance errors are identified and appropriately corrected.	0
2017-CH-1007	9/28/2017	002-F	For the five household's residing in units that were not affordable, renegotiate the rent to the owners or require the households to move into units that are affordable.	0
2017-AT-1013	9/28/2017	001-E	Implement adequate policies and procedures for conducting complete and consistent monitoring of subrecipients' matching requirements, including confirming eligibility and existence of matching funds to ensure compliance with HUD's requirements.	0
2017-AT-1013	9/28/2017	001-C	Implement adequate policies and procedures to ensure that payments to subrecipients are issued in accordance with HUD's requirements.	0
2017-CH-1008	9/28/2017	001-F	Implement adequate procedures and controls to ensure that it maintains sufficient documentation to support that matching contributions, program funds, and program income are accounted for and used in accordance with Federal regulations and it uses program funds for the projects in accordance with Federal regulations.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1007	9/28/2017	001-C	Implement adequate procedures and controls to ensure that the Authority complies with HUD's requirements for program conflicts of interest, including but not limited to ensuring that (1) its staff does not complete inspections for units owned by entities substantially controlled by the Authority, (2) its staff is appropriately trained and familiar with HUD's requirements for units owned by entities it substantially controls, and (3) future contracts to perform housing quality standards inspections for program units owned by entities substantially controlled by the Authority are with a HUD-approved independent third party.	0
2017-DP-0003	9/28/2017	001-D	Not released to public.	0
2017-DP-0003	9/28/2017	001-E	Not released to public.	0
2017-DP-0003	9/28/2017	001-F	Not released to public.	0
2017-AT-1013	9/28/2017	001-D	Provide adequate training to staff associated with the administration of the ESG program to ensure compliance with HUD's requirements, including timely drawdowns.	0
2017-CH-1008	9/28/2017	001-G	Provide technical assistance to Travelers Aid to ensure that its staff is adequately trained on how to account for and use matching contributions, program funds, and program income in accordance with Federal regulations.	0
2017-LA-1803	9/28/2017	001-D	Provide training to its employees regarding HUD's requirements related to prohibited restrictions on conveyance.	0
2017-DP-0003	9/28/2017	001-C	Not released to public.	0
2017-CH-1007	9/28/2017	002-K	Restrict the Authority from administering other HUD-funded programs until it substantially improves its program administration to ensure compliance with applicable requirements based on the findings cited in this audit report, absent sufficient documentation provided by the Authority.	0
2017-CH-1007	9/28/2017	002-J	Review all of the remaining program household files to determine whether appropriate voucher sizes were provided and payment standards and utility allowances were applied and updated appropriately. The Authority should conduct special recertifications for the households with vouchers that do not comply with HUD's requirements and the Authority's administrative plan, issue the appropriate voucher sizes, and apply updated payment standards and utility allowances as appropriate.	0
2017-DP-0003	9/28/2017	001-A	Not released to public.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1013	9/28/2017	001-J	We also recommend that the Director of HUD's Newark Office of Public Housing consider reducing future capital funds as a penalty for the Authority's obligating its 2009, 2010, and 2011 replacement housing factor funds after the deadline.	0
2017-NY-1013	9/28/2017	001-F	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to improve its policies and procedures to ensure that capital funds, including replacement housing factor funds, are obligated and spent for eligible activities in a timely manner.	0
2017-NY-1013	9/28/2017	001-I	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to improve its policies and procedures to ensure that its budget, financial reports, and accounting data are accurate and up to date.	0
2017-NY-1013	9/28/2017	001-C	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to provide training to its staff related to HUD and Federal procurement requirements, including the requirements for using intergovernmental agreements and preparing independent cost estimates and cost analyses.	0
2017-NY-1013	9/28/2017	001-H	We recommend that the Director of HUD's Newark Office of Public Housing to require the Authority to submit a request to the HUD field office to revise its budget so that it reflects actual expenditures for 2014 capital funds.	0
2017-SE-1002	9/29/2017	001-B	Assist the Authority in obtaining any training needs identified by the review in recommendation 1A.	0
2017-PH-0003	9/29/2017	001-E	Consider requiring water testing for all FHA-insured properties.	0
2017-PH-0003	9/29/2017	001-C	Develop and implement additional guidance to advise lenders and appraisers when water testing is required for properties serviced by a public water system which has issued a public notice of water contamination.	0
2017-PH-0003	9/29/2017	001-A	Direct the applicable lenders to provide evidence that the properties for the 1,383 FHA-insured loans not included in our sample had a safe and potable water source, or that the appraisers had not notified the lender of the water quality issue on their appraisals. If the lenders cannot provide this evidence, HUD should direct them to perform water testing and any necessary remediation to ensure that the properties have a safe and potable water source, or indemnify HUD against future loss.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1014	9/29/2017	001-A	Recalculate the commitment requirement as a result of the City improperly committing HOME funds for activities 5455, 5456, 5058, 5059, 5173, 5174, and 4652 and determine the cumulative effect on the City's overall commitment requirement. Any overpayments should be recaptured or reduced in the HOME Investment Trust Fund account.	0
2017-SE-1002	9/29/2017	001-C	Require the Authority to submit evidence and its board of directors to certify to the Director of the Seattle Office of Public Housing that it has complied with regulatory requirements for each step of the project-based voucher process for each new project-based voucher project until such time as the Director of the Seattle Office of Public Housing believes the Authority understands and is consistently complying with the requirements.	0
2017-AT-1014	9/29/2017	001-B	Require the City to establish and implement controls and procedures to ensure compliance with requirements for commitments entered into HUD's information system. This includes but is not limited to controls and procedures to ensure that valid commitment entries and all HOME contracts and agreements are properly executed.	0
2017-SE-1002	9/29/2017	001-A	Review the Authority's non-Sound Families Initiative project-based voucher projects to determine whether it executed the agreement with the owners of new construction projects.	0
2017-PH-0003	9/29/2017	001-B	Take appropriate administrative action against the lenders or appraisers for any cases in which it finds that they did not take appropriate steps to ensure that properties had a safe and potable water source.	0
2017-KC-0010	9/29/2017	001-A	Update the terms in the purchase agreement to ensure that the agreements define "extenuating circumstance" in reference to foreclosure avoidance, establish how long stabilization outcomes can continue to be reported as planned, and establish financial or other penalties to hold purchasers accountable in instances of nonreporting and noncompliance.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-0002	9/29/2017	001-B	We recommend that the Deputy Assistant Secretary for Grant Programs develop a process to ensure that grantees properly report the addresses of assisted properties in IDIS and properly calculate and report program income from the disposition of these properties regularly. This process could include but is not limited to developing a process to extract data reported in IDIS on activities with the matrix codes related to real property, and training and instructing the Office of Community Planning and Development's field office staff to extract this data and manually check for address and program income data on grantees' activities, particularly activities that are completed but have properties that could still be subject to program income requirements.	0
2017-FW-1008	6/28/2017	001-E	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to provide training to commissioners and employees on travel requirements and their responsibilities and duties.	0
2017-FW-1009	6/29/2017	001-E	We further recommend that the Southwest Region Director of Multifamily Housing ensure that the project-based contract administrator's review process includes steps to obtain reasonable assurance that tenants being reported as subsidized at Beverly Place live in the subsidized units.	0
2017-CH-1004	8/11/2017	001-A	Implement adequate procedures and controls to ensure that it properly monitors the listing brokers to ensure compliance with its contract. The procedures and controls should include but not limited to performing quality control reviews and supervisory review of its brokers, and maintaining documentation of its quality control reviews and corrective actions.	0
2017-CH-1004	8/11/2017	001-B	Update its quality control plan to include the performance of physical inspections of the properties in its inventory.	0
2017-FW-1010	8/16/2017	004-G	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development continue to classify the City of Albuquerque as a high risk grantee until such time as HUD has determined the City has implemented an effective program in compliance with all requirements.	0
2017-FW-1010	8/16/2017	001-G	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to amend and implement its conflict-of-interest policy and procedures to ensure that it complies with Federal conflict-of-interest requirements and includes elected and appointed positions.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1010	8/16/2017	004-F	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to develop and implement written CDBG policies and procedures, which detail the requirements, including but not limited to (1) meeting Federal procurement requirements, (2) executing written agreements for all subrecipients and contractors that meet minimum requirements, (3) documenting all conflicts of interest, (4) complying with HUD environmental review requirements, (5) maintaining documentation to support that its CDBG-funded projects met one or more national objectives, (6) properly and accurately monitoring subrecipients for compliance with all requirements, and (7) consistently and accurately reporting activities in IDIS.	0
2017-FW-1010	8/16/2017	001-F	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to develop contracts to include all Federal requirements and to be signed by both the City and the contractors awarded bids with CDBG funding.	0
2017-FW-1010	8/16/2017	003-F	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to implement recommendations made from its internal and external auditors that will ensure compliance with applicable regulations related to cost reasonableness and eligibility and that costs are adequately supported.	0
2017-FW-1010	8/16/2017	001-C	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to implement technical assistance and guidance received from HUD to ensure compliance with requirements.	0
2017-FW-1010	8/16/2017	001-D	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to obtain technical assistance from HUD related to differentiating between subrecipients and contractors and ensuring that the correct procurement requirements are followed when obtaining a subrecipient or contractor.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1010	8/16/2017	002-E	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to provide training for staff members to ensure that they know their roles and responsibilities with respect to CDBG program oversight and that documentation and other requirements are met.	0
2017-FW-1010	8/16/2017	001-E	We recommend that the Director of HUD's Albuquerque Office of Community Planning and Development require the City of Albuquerque's Department of Family and Community Services to update its CDBG written agreements to include the specific language required.	0
2017-BO-1006	8/18/2017	002-A	Develop and implement written policies and procedures to ensure that each Housing Choice Voucher program tenant file has an appropriately documented rent reasonableness determination.	0
2017-BO-1006	8/18/2017	002-C	Determine whether tenants were underpaid for utility allowances and if so, reimburse the tenants from non-Federal funds.	0
2017-BO-1006	8/18/2017	001-F	Develop and enforce written conflict-of-interest requirements in compliance with Federal rules and regulations.	0
2017-BO-1006	8/18/2017	001-E	Develop and implement controls to ensure that contracts are in place when applicable.	0
2017-BO-1006	8/18/2017	001-D	Develop and implement procurement policies and procedures that comply with Federal, State, and local laws.	0
2017-BO-1006	8/18/2017	002-B	Develop and implement written policies and procedures to ensure that each public housing unit has an annual inspection, which is appropriately documented in the tenant file.	0
2017-BO-1006	8/18/2017	001-G	Develop and maintain a contract management system, including a contract register for all procurements.	0
2017-BO-1006	8/18/2017	003-C	Develop and maintain property records and conduct an inventory in accordance with Federal regulations.	0
2017-BO-1006	8/18/2017	002-D	Evaluate the training of West Warwick employees and determine what additional training is necessary.	0
2017-BO-1006	8/18/2017	001-H	Evaluate the training of West Warwick's board of commissioners and determine whether additional training is required or other changes are appropriate.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CF-0801	8/21/2017	001-A	Clarify whether assistance provided under its community development programs, such as HOPWA, are considered “Federal public benefits” and are, therefore, subject to PRWORA’s noncitizen eligibility restrictions.	0
2017-CF-0801	8/21/2017	001-B	Consult with the Office of the Attorney General to establish whether HOPWA and other homeless assistance programs are a Federal public benefit that meets the definition of “providing assistance for the protection of life or safety” and are, therefore, exempt from PRWORA noncitizen eligibility restrictions.	0
2017-AT-1011	8/21/2017	001-L	Determine whether the households residing in the Authority’s project-based voucher units, that bypassed others on the wait lists, received housing in accordance with the program’s requirements and if not, consider a referral to HUD’s Office of Fair Housing and Equal Opportunity.	0
2017-LA-0004	9/14/2017	001-C	Update and revise policies and procedures, including reinforcement of guidance (for example, mortgagee letters, notifications to servicers, or training) to ensure that servicers accurately report the status of delinquent loans to HUD.	0
2017-FW-1013	9/14/2017	001-D	We recommend that the Director of HUD’s Houston Office of Community Planning and Development require the Department to confirm that it has developed and implemented written procurement procedures to ensure that future contracts and subrecipient agreements address the procurement and required provision issues identified in the report.	0
2017-LA-1801	9/20/2017	001-D	Provide training to its employees regarding HUD’s requirements related to prohibited restrictions on conveyance.	0
2017-KC-0009	9/26/2017	002-A	Strengthen current purchase card controls to ensure that purchases are supported by all required approvals before the purchase is made.	0
2017-PH-1007	9/28/2017	001-A	Certify, along with the owners of the 61 units cited in the finding, that the applicable housing quality standards violations have been corrected.	0
2017-LA-1803	9/28/2017	001-E	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies, civil money penalties, or both against RMS, its principals, or both for incorrectly certifying to the eligibility for FHA mortgage insurance or that due diligence was exercised during the origination of FHA loans.	0
2017-LA-1803	9/28/2017	001-C	Develop and implement policies and procedures to identify prohibited restrictions on conveyance to ensure that it does not originate FHA loans with prohibited restrictive covenants.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1011	8/21/2017	001-K	Develop and implement procedures for following project-based voucher requirements for tenant recertifications as project-based voucher tenants at Terrace Lane and Southside Village, and ensure they comply with the Housing Choice Voucher regulations.	0
2017-PH-0001	9/5/2017	001-C	Develop and implement guidance to communicate appropriate ways for grantees to calculate household income.	0
2017-CH-1006	9/5/2017	001-C	Develop and maintain a waiting list for rental units that meets the requirements of the resident home-ownership plan and considers the tenant profile.	0
2017-CH-1006	9/5/2017	001-T	Ensure that the Cooperative's board members and responsible staff of the Cooperative's management agent are provided training on HUD's requirements and the grant agreement.	0
2017-CH-1006	9/5/2017	001-E	For the two units for which the Cooperative acquired the memberships associated with the units from members and which had been vacant for more than 6 months, rent the units to households that meet the tenant income profile.	0
2017-CH-1006	9/5/2017	001-B	Have a representative of HUD at the closing for membership sales to sign the HUD notes.	0
2017-CH-1006	9/5/2017	001-D	Implement adequate procedures and controls to ensure that any rental units vacated by current households or units associated with memberships which were repurchased by the Cooperative and then remained vacant more than 6 months, are rented to very low-, low-, or moderate-income households selected from a waiting list for rental units that meets the requirements of the resident homeownership plan and considers the tenant profile.	0
2017-CH-1006	9/5/2017	001-G	Implement adequate procedures and controls to ensure that HUD receives its full share of the proceeds from future initial membership sales.	0
2017-LA-0004	9/14/2017	001-E	Reinforce existing guidance (such as mortgagee letters, notifications to servicers, and training) to servicers to ensure that they engage in required loss mitigation.	0
2017-LA-0004	9/14/2017	001-F	Require that the servicers with significant and other deficiencies revise and update their policies and procedures, as necessary, to ensure that they comply with HUD requirements and guidance on loss mitigation evaluation.	0
2017-FW-1013	9/14/2017	001-E	We recommend that the Director of HUD's Houston Office of Community Planning and Development require the Department to ensure that all program files include required documentation and support.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1013	9/14/2017	001-F	We recommend that the Director of HUD's Houston Office of Community Planning and Development require the Department to monitor subrecipients annually as stated in its monitoring policy.	0
2017-FW-1013	9/14/2017	001-G	We recommend that the Director of HUD's Houston Office of Community Planning and Development require the Department to train its staff regarding HUD requirements and regulations or seek technical assistance.	0
2017-AT-1802	9/15/2017	001-B	Instruct the Office for the Socioeconomic and Community Development to submit a plan for how it will proceed with the fine arts center project. The plan should include a schedule that HUD can track to ensure the project's completion without proposing the use of additional HUD funds.	0
2017-NY-1010	9/15/2017	001-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to provide training to its staff on applicable HUD and Federal requirements for eligibility, documentation of costs, and duplication of benefits reviews.	0
2017-LA-1801	9/20/2017	001-E	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies, civil money penalties, or both against Venta, its principals, or both for incorrectly certifying to the eligibility for FHA mortgage insurance or that due diligence was exercised during the origination of FHA loans.	0
2017-LA-1801	9/20/2017	001-C	Develop and implement policies and procedures to identify prohibited restrictions on conveyance to ensure that it does not originate FHA loans with prohibited restrictive covenants.	0
2017-NY-1011	9/20/2017	001-B	We recommend that the Deputy Assistant Secretary for Single Family Housing require MB Financial to provide training to its underwriters on HUD's underwriting requirements for approving and rejecting loans.	0
2017-NY-1011	9/20/2017	001-C	We recommend that the Deputy Assistant Secretary for Single Family Housing require MB Financial to update its policies and procedures to ensure that its staff understands underwriting requirements and the requirement that loans be manually underwritten when a refer decision is received from automated underwriting systems or when a loan is downgraded to a manual underwrite.	0
2017-NY-1011	9/20/2017	002-A	We recommend that the Deputy Assistant Secretary for Single Family Housing require MB Financial to update its quality control plan to include the specific procedures to be used when reviewing rejected loan applications.	0
2017-DE-1003	9/21/2017	001-B	Complete HUD-approved training regarding owner contributions and distributions.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-1003	9/26/2017	001-A	Require the Authority to require Majestic Management to develop and implement a process to ensure that it makes any needed adjustments to employee payroll and transfers accurate amounts from the project accounts for payroll.	0
2017-KC-1003	9/26/2017	002-C	Require the Authority to review all other payments to the sampled vendors to confirm that the costs were reasonable and the goods and services were procured from eligible vendors or repay the projects from non-Federal funds.	0
2017-KC-0009	9/26/2017	002-B	Review the four cardholders with incomplete approvals and determine whether the purchases were allowable and proper. If they were not for official government use, OCPO should determine whether the cardholders paid the credit bill for the improper charges, request reimbursement when applicable, and ensure that appropriate administrative sanctions are taken.	0
2017-KC-0801	9/26/2017	001-A	Review the two cardholders with incomplete approvals and determine whether the purchases were allowable and proper. If they were not for official government use, OCPO should determine whether the cardholders paid the credit bill for the improper charges, request reimbursement when applicable, and ensure that appropriate administrative sanctions are taken.	0
2017-DE-1003	9/21/2017	001-A	Develop and implement controls over owner contributions and owner distributions to ensure compliance with its regulatory agreement and HUD regulations.	0
2017-KC-0008	9/21/2017	001-C	Develop and implement controls to continually assess skills required to meet organizational goals to include a plan to prioritize resources to accommodate changing organizational needs.	0
2017-KC-0008	9/21/2017	001-A	Develop and implement controls to ensure that policies and procedures for account executives are continually reviewed and updated to reflect changes in Ginnie Mae's operations.	0
2017-KC-0008	9/21/2017	001-B	Develop and implement controls to review issuers to determine the total impact of a large or multiple-issuer default, the maximize-size default Ginnie Mae can adequately execute, and an issuer's ability to adapt to changing market conditions.	0
2017-KC-0008	9/21/2017	001-D	Develop and implement training programs to ensure that employee skill levels are developed to meet changing organizational needs to include secondary market training.	0
2017-BO-1007	9/21/2017	001-G	Establish and implement an effective system to ensure that payments do not exceed approved contract values.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-BO-1007	9/21/2017	001-H	Establish and implement an effective system to maintain a complete and accurate contract register to ensure proper contract planning and administration.	0
2017-DE-1003	9/21/2017	002-B	Implement controls to ensure existing procedures are followed to maintain the project's security deposit funds separately from all other accounts by depositing and disbursing all security deposit funds directly into and from the security deposit account.	0
2017-DE-1003	9/21/2017	002-A	Perform an analysis of all security deposits and ensure that the security deposit account is fully funded.	0
2017-BO-1007	9/21/2017	001-I	Provide technical assistance to the Authority to ensure that responsible staff and board members receive necessary procurement training.	0
2017-BO-1007	9/21/2017	001-E	Reprocure any service contracts necessary and ensure that the contracts are properly awarded in accordance with HUD requirements.	0
2017-BO-1007	9/21/2017	001-F	Strengthen and implement controls and procedures over procurement, including monitoring consultants, to ensure that procurement activities meet HUD requirements.	0
2017-NY-1012	9/21/2017	001-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs require the City to provide documentation showing that it has strengthened its invoice review process to ensure that costs are eligible and supported before disbursing disaster funds to its subrecipient under the program.	0
2017-NY-1012	9/21/2017	001-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs require the City to provide documentation showing that it obtained adequate support for contractor invoices related to disaster funds it disbursed to its subrecipient under the program.	0
2017-PH-0002	9/22/2017	001-C	Clarify and improve its guidance for State grantees to explain what it means to have a procurement process that fully aligns with, or meets the intent of, each of the Federal procurement standards at 2 CFR 200.318 through 200.326.	0
2017-PH-0002	9/22/2017	001-A	Clarify that if a State receives a disaster recovery grant and chooses to certify that its procurement process is equivalent to Federal procurement standards, "equivalent" means that its procurement process fully aligns with, or meets the intent of, each of the Federal procurement standards at 2 CFR 200.318 through 200.326.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1802	9/22/2017	001-E	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies, civil money penalties, or both against SecurityNational, its principals, or both for incorrectly certifying to the eligibility for FHA mortgage insurance or that due diligence was exercised during the origination of FHA loans.	0
2017-LA-1802	9/22/2017	001-C	Develop and implement policies and procedures to identify prohibited restrictions on conveyance to ensure that it does not originate FHA loans with prohibited restrictive covenants.	0
2017-PH-0002	9/22/2017	001-B	Improve its controls to ensure that appropriate staff adequately evaluates the proficiency of State grantee procurement processes for States that select the equivalency option. This includes ensuring that staff that specializes in procurement review the documentation to ensure that State processes fully align with, or meet the intent of, each of the Federal procurement standards at 2 CFR 200.318 through 200.326.	0
2017-PH-0002	9/22/2017	001-D	Provide procurement training and technical assistance to State grantees to ensure that they understand the intent of each of the Federal procurement standards at 2 CFR 200.318 through 200.326.	0
2017-LA-1802	9/22/2017	001-D	Provide training to its employees regarding HUD's requirements related to prohibited restrictions on conveyance.	0
2017-PH-1006	9/25/2017	001-C	Develop and implement controls to ensure that the project complies with the regulatory agreement and applicable HUD requirements.	0
2017-PH-1006	9/25/2017	002-C	Evaluate the owner's capability to effectively manage the project and consider whether independent professional management services are needed.	0
2017-PH-1006	9/25/2017	001-D	Provide training and technical assistance to the owner and its management agent to ensure compliance with the terms of its regulatory agreement and applicable HUD requirements.	0
2017-PH-1006	9/25/2017	002-D	Pursue civil money penalties and administrative sanctions, as appropriate, against the owner and its parent company and their principals for their part in the violations cited in this report.	0
2017-PH-1006	9/25/2017	002-A	Submit a project owner's or management agent's certification for identity-of-interest agents, a management entity profile, a management plan, and other required documentation for review and approval.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-0009	9/26/2017	001-A	Develop and implement adequate written policies to ensure that cardholders obtain appropriate authorizations to support charges to their government travel cards and establish a process for submitting a written request to OCFO for a merchant code unblock.	0
2017-KC-0009	9/26/2017	001-B	Develop and implement written policies to ensure that program offices adequately follow up on identified questionable charges and inform OCFO of significant travel card violations when they are identified.	0
2017-KC-1003	9/26/2017	001-E	Require the Authority and Majestic Management to repay any excessive annual leave that Majestic Management paid to its employees from project funds when its contract terminated in 2017.	0
2017-KC-1003	9/26/2017	003-A	Require the Authority to monitor Majestic Management to ensure that the recent training was effective and the new checklist is in use and effective.	0
2017-KC-1003	9/26/2017	002-A	Require the Authority to provide training on procurement requirements in public housing to all Majestic Management employees working at the projects.	0
2017-KC-1003	9/26/2017	003-B	Require the Authority to recompute the rents for the households noted above and as necessary for errors made by Majestic Management, reimburse tenants for overcharged rent from operating funds or rent credit, and enter into repayment agreements with tenants if they were undercharged based on nondisclosure of income.	0
2017-KC-1003	9/26/2017	001-B	Require the Authority to require Majestic Management to design and implement a process to ensure that actual staff hours are accurately tracked and only dedicated employees are paid from project funds.	0
2017-CH-1006	9/5/2017	001-L	Implement adequate procedures and controls to ensure that it sells memberships to the same proportion of very low-, low-, and moderate-income households as stated in the resident income profile in paragraph 4.a. and required by paragraph 10.b. of the use agreement.	0
2017-CH-1006	9/5/2017	001-S	Implement adequate procedures and controls to ensure that it submits the required reports to HUD to show continued compliance with the program.	0
2017-CH-1006	9/5/2017	001-I	Implement adequate procedures and controls to ensure that its share of the proceeds from initial membership sales is used in accordance with the grant agreement.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1006	9/5/2017	001-P	Implement adequate procedures and controls to ensure that members maintain their units at the project as their principal residence or sell their memberships.	0
2017-CH-1006	9/5/2017	001-A	Implement adequate procedures and controls to ensure that memberships are sold at or below the fair market value and HUD's secured interest in the memberships is appropriately valued.	0
2017-CH-1006	9/5/2017	001-J	Implement adequate procedures and controls to ensure that the Cooperative receives HUD approval before using the \$148,872 in proceeds from initial membership sales offset by undisbursed funds which was in the Cooperative's reserve for replacements account for the project.	0
2017-CH-1006	9/5/2017	001-R	Implement adequate procedures and controls to ensure that the project's units are used for rental or cooperative housing unless otherwise approved by HUD.	0
2017-PH-0001	9/5/2017	001-B	Provide guidance to field office staff to clarify the statutory requirements in 42 U.S.C. 5305(a)(24) regarding a principal reduction and a downpayment for direct home-ownership assistance activities.	0
2017-CH-1006	9/5/2017	001-F	Provide sufficient documentation to support that HUD had received 50 percent of the proceeds from initial membership sales as of May 2017. If the Cooperative cannot do this, it should pay HUD half of the principal on the promissory notes payable to the Cooperative for all of the membership sales less the amount the Cooperative can support that it paid HUD for initial membership sales.	0
2017-CH-1006	9/5/2017	001-H	Provide sufficient documentation to support that the Cooperative used its share of the proceeds from initial membership sales in accordance with the grant agreement. If the Cooperative cannot do this, it should transfer funds from its operating account, in an amount equal to half of the principal on the mortgages to the Cooperative for all membership sales less the amount the Cooperative can support that it used for eligible purposes, to a reserve account to be used in accordance with the grant agreement.	0
2017-CH-1006	9/5/2017	001-O	Provide sufficient documentation to support that the single occupant of a unit was a member of the Cooperative. If the Cooperative cannot do this, it should determine who has the right to membership associated with the unit, transfer the membership to that person if appropriate, and require him or her to move into or sell the unit.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-PH-0001	9/5/2017	001-D	Reemphasize to field offices the importance of using the correct monitoring guide to monitor direct home-ownership assistance activities.	0
2017-CH-1006	9/5/2017	001-Q	Rent the unit that was used to provide rent-free housing to former employees of the management agent to a very low-, low-, or moderate-income household selected from a waiting list for rental units that meets the requirements of the resident home-ownership plan and considers the tenant profile.	0
2017-CH-1006	9/5/2017	001-M	Require the member for whom it tried to transfer the membership associated with a unit in which the remaining member passed away, to move into the unit or continue to pursue the release of the member's membership rights to the Cooperative.	0
2017-CH-1006	9/5/2017	001-N	Require the members who did not maintain their unit at the project as their principal residence to move into the unit or continue to pursue the sale of their membership in the Cooperative.	0
2017-CH-1006	9/5/2017	001-K	Sign the amendment to the use agreement which would require the Cooperative to ensure that monthly housing expenses did not exceed 35 percent of the members' monthly adjusted gross income only at the time of sale. If the Cooperative does not sign the amendment, it should verify the current household income for all members to determine whether the members are paying more than 35 percent of their households' monthly adjusted gross income for monthly housing expenses. For any members that are paying more than 35 percent of their households' monthly adjusted gross income for monthly housing expenses, it should determine the amount the household overpaid and reimburse the household that amount. It should also implement adequate procedures and controls to ensure that members do not pay more than 35 percent of their households' monthly adjusted gross income for monthly housing expenses.	0
2017-FW-1012	9/6/2017	001-H	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to develop and implement adequate written procedures and management controls to ensure that it conducts property inspections and onsite monitoring as required, including but not limited to establishing protocols for collecting and maintaining adequate documentation.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1012	9/6/2017	001-K	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to develop tools to improve record-keeping practices and maintain appropriate databases to track data related to property inspections, onsite monitoring, unit vacancies, HOME program participants, available units, tenant-based rental assistance units, and rents.	0
2017-FW-1012	9/6/2017	001-G	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to establish and implement procedures for ensuring that it performs initial income eligibility determinations, has supervisory review of determinations, and maintains adequate supporting documentation.	0
2017-FW-1012	9/6/2017	001-E	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to establish and implement procedures for identifying and resolving property ownership transfers by the HOME organizations and projects and to ensure ongoing compliance with program requirements by project owners.	0
2017-FW-1012	9/6/2017	001-F	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to establish and implement procedures to ensure that project owners submit required project compliance reports and rents are provided annually to the project owners and that it maintains documentation showing compliance.	0
2017-FW-1012	9/6/2017	001-J	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to implement adequate procedures and controls to ensure the timely reporting of program income and that it appropriately spends program income.	0
2017-FW-1012	9/6/2017	001-I	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to update the IDIS PR-47 HOME Vacant Units Report to include accurate and current data and continue this practice periodically.	0
2017-KC-0007	9/12/2017	001-C	Clarify guidance to better enhance housing authority understanding of the requirement, including explaining that housing authorities must code ceiling rent tenants as flat rents and explaining what housing authorities should do when maximum rents for low-income housing tax credit properties are lower than the minimum flat rent amounts required by HUD.	0
2017-KC-0007	9/12/2017	001-B	Follow up with the housing authorities in our sample, identified as noncompliant with flat rent requirements, to ensure that their rents are properly adjusted.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1008	9/13/2017	002-F	Consolidate and reconcile all NSP3 home-buyer assistance tracking spreadsheets and the general ledger with HUD's DRGR to ensure that all information is accurate and up to date.	0
2017-LA-1008	9/13/2017	002-G	Develop and implement written policies and procedures to periodically reconcile all NSP3 tracking spreadsheets to ensure that data remain accurate and up to date.	0
2017-LA-1008	9/13/2017	002-B	Identify any additional closing cost refunds for NSP3 properties using the general ledger, DRGR supporting documentation, and the property file and either repay the recipients from non-Federal funds or update its tracking spreadsheet.	0
2017-LA-1008	9/13/2017	002-H	Provide training to all employees responsible for NSP3 to ensure that the City adequately determines repayment amounts and tracks and records NSP3 activities.	0
2017-LA-1008	9/13/2017	002-E	Reclassify home-buyer assistance expenses and refunds from the City's NSP3 ARR program to its NSP3 Homebuyer Assistance Program in DRGR and the general ledger.	0
2017-LA-1008	9/13/2017	001-C	Train its staff to ensure that recapture amounts do not exceed net sales proceeds.	0
2017-LA-1008	9/13/2017	001-B	Update its procedures to ensure that any additional home-buyer assistance agreements contain recapture provisions that meet HUD recapture requirements relating to the sales price, closing costs, and net proceeds.	0
2017-LA-0004	9/14/2017	001-B	Develop and implement policies and procedures to ensure that the Office of Single Family Asset Management and Office of Lender Activities and Program Compliance communicate the results of their servicing reviews to each other.	0
2017-AT-1011	8/21/2017	001-D	Develop and implement procedures to ensure that it maintains books and records that provide the source and uses of all Federal funds.	0
2017-AT-1011	8/21/2017	001-E	Ensure that the Authority completes all outstanding annual audits.	0
2017-AT-1011	8/21/2017	001-G	Establish, maintain, and follow a waiting list for each project individually.	0
2017-AT-1011	8/21/2017	001-I	Properly certify all tenants and reimburse any overages paid and associated administrative fees for tenants housed after January 1, 2017, to the project-based voucher program from non-Federal funds.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1011	8/21/2017	001-A	Provide adequate supporting documentation for the amount of Public Housing Capital Fund loan to verify the loan source. If another source of Federal funds is determined, repay the amount to the appropriate program from non-Federal funds.	0
2017-AT-1011	8/21/2017	001-B	Provide support showing the amount of predevelopment fees paid. If it is over the allowable amount, that portion should be repaid to the project-based voucher program from non-Federal funds.	0
2017-AT-1011	8/21/2017	001-C	Provide support showing the source and use of funds paid to the Terrace Lane, LP, and Southside Village, LP, after the RAD conversion or repay the project-based voucher program from non-Federal funds.	0
2017-LA-1007	8/24/2017	002-B	Implement controls to ensure that all future check request forms are complete for proper tracking in its accounting records and authorized approver verifies source documentation is attached prior to check issuance for future program expenses as required by its own policies and procedures.	0
2017-LA-1007	8/24/2017	001-C	Require the Authority to establish and implement controls and formal written policies and procedures to ensure that accurate tribal enrollment numbers are reported to the Formula Service Center and HUD for future grant years.	0
2017-CH-1005	8/25/2017	001-I	Develop and implement adequate procedures and controls to ensure that the project complies with HUD's requirements and its own policies regarding the management of its waiting list.	0
2017-CH-1005	8/25/2017	001-F	Document the implementation of the quality control plan and the completed reviews of the tenant certification process.	0
2017-CH-1005	8/25/2017	001-H	Review and update the project's internal transfer waiting list to include the applicants' move-in dates, and the project's external waiting list to include notations showing the reasons why applicants were not admitted into the project's program and why applicants were bypassed.	0
2017-CH-1005	8/25/2017	001-G	Revise its occupancy standards to include policies and procedures to prevent underuse of the project's units.	0
2017-FW-1011	8/29/2017	001-H	We recommend that HUD's Associate Deputy Assistant Secretary for Single Family Housing assess BLM's performance under the area 1D contract at least quarterly to determine whether it has improved its performance. If its performance does not improve, coordinate with the Office of the Chief Procurement Officer to determine whether BLM was in default of its contract and take appropriate action.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1011	8/29/2017	001-A	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to certify and provide supporting documentation that the identified deficiencies have been corrected for the 57 properties cited in this audit report.	0
2017-FW-1011	8/29/2017	001-E	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to evaluate the structure of its exception reports to ensure that they do not omit existing hazards and other issues reported by inspectors.	0
2017-FW-1011	8/29/2017	001-F	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to perform required background investigations before allowing individuals and vendors to work under the contract, and prevent those who have not had background checks from performing further work under the contract until it determines that they are suitable for the duties assigned.	0
2017-FW-1011	8/29/2017	001-G	We recommend that the Associate Deputy Assistant Secretary for Single Family Housing require BLM to sign its contracts with vendors.	0
2017-CH-1006	9/5/2017	001-U	Consider removing from the Cooperative's board the member who did not maintain their unit as their principal residence.	0
2017-AT-1005	5/24/2017	001-D	Report Program income of \$31,724 for FL0199L4D001407 to HUD.	0
2017-LA-1003	6/2/2017	001-A	Develop and implement a written methodology for employees' time allocations for its HUD grant programs in accordance with program requirements.	0
2017-KC-0004	6/2/2017	001-B	Develop guidance that helps the public understand its options for assistance between CDBG-DR and SBA and how to comply with Federal requirements.	0
2017-KC-0004	6/2/2017	001-C	Develop improved procedures and provide training to appropriate staff regarding the departmental clearance process requirements, including determining which guidance is considered to be a directive, including public communications, and ensuring that HUD program participants have clear, instructive, and helpful information to comply with the applicable requirements and procedures for HUD programs.	0
2017-LA-1003	6/2/2017	001-B	Provide training on compensation for personal services grant program requirements to employees working on HUD grants.	0
2017-KC-0004	6/2/2017	001-A	Pursue departmental clearance for the July 25, 2013, guidance that did not go through required departmental clearance. For any items that cannot be appropriately cleared, HUD should take appropriate action to recall the document or policy.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-PH-1004	6/9/2017	001-A	Certify, along with the owners of the 11 units cited in this finding, that the applicable housing quality standards violations have been corrected.	0
2017-AT-1006	6/9/2017	002-F	Confirm the replacement of program units was appropriate for the number of units demolished at Johnson Ferry East, and submit a development proposal to construct new public housing units, transfer public housing assistance to another public housing agency, or terminate its annual contributions contract and return all unobligated and unexpended capital funds to HUD.	0
2017-PH-1004	6/9/2017	001-C	Provide training to its inspectors on conducting housing quality standards inspections.	0
2017-LA-1004	6/13/2017	001-A	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies against Cypress Meadows, LLC; Skyline Crest Enterprises, LLC; the project's owner; or all three for inappropriately disbursing funds in violation of the project's regulatory agreement, operating lease agreement, and HUD requirements.	0
2017-LA-1004	6/13/2017	001-O	Develop and implement written policies and procedures for the management of the project, including but not limited to financial policies for cash disbursements, cash receipts, and documentation requirements.	0
2017-LA-1004	6/13/2017	001-J	Obtain approval from HUD for a lease agreement with the hair salon.	0
2017-LA-1004	6/13/2017	001-B	Pursue appropriate civil money penalties and administrative actions, up to and including debarment, against Cypress Meadows LLC; Skyline Crest Enterprises LLC; the project's owner; or all three for violating the project's regulatory agreement, operating lease agreement, and HUD requirements.	0
2017-LA-1004	6/13/2017	001-N	Remove Skyline Crest Enterprises, LLC, as the operator and replace it with a HUD-approved independent operator.	0
2017-LA-1005	6/16/2017	001-G	Implement additional policies and procedures to ensure that salaries and wages and cost allocations are charged in compliance with HUD requirements.	0
2017-LA-1005	6/16/2017	001-H	Implement additional procedures and controls to ensure that documentation is obtained to support that the limited clientele national objective was met.	0
2017-LA-1005	6/16/2017	001-I	Obtain training or technical assistance on CDBG program requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1008	6/28/2017	001-F	Take appropriate administrative sanctions, including suspension, limited denial of participation, or debarment, against the commissioners.	0
2017-FW-1008	6/28/2017	001-D	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to adopt policies and procedures that contain current Federal and State guidance.	0
2017-FW-1009	6/29/2017	001-D	We further recommend that the Southwest Region Director of Multifamily Housing require its contract administrator for Beverly Place to verify that the owner's recently implemented quality control program is working as designed.	0
2017-CH-1002	7/7/2017	001-I	Ensure that it obtains a separate interest-bearing depository account for its program participants' escrow funds in accordance with HUD's requirements.	0
2017-CH-1002	7/7/2017	001-J	Ensure that its staff is appropriately trained and familiar with HUD's requirements and its program action plan regarding the administration of its program to ensure that (1) participants' contracts of participation and individual training and services plans are properly updated and contain the necessary signatures; (2) changes in participants' files are properly identified and notated; and (3) participants are notified of changes in their monthly escrow deposits, total escrow balances, or both.	0
2017-CH-1002	7/7/2017	001-O	Provide technical assistance and guidance to the Authority to ensure that it properly administers its Family Self-Sufficiency program.	0
2017-CH-1002	7/7/2017	001-B	Reconcile the current program participants and related information in its internal systems with the current participants listed in HUD's systems.	0
2017-CH-1002	7/7/2017	001-M	Review the Authority's graduate documentation and adjust the Authority's minimum program size as necessary.	0
2017-CH-1002	7/7/2017	001-N	Review the Authority's Section Eight Management Assessment Program scores for the Family Self-Sufficiency program and adjust as necessary.	0
2017-FW-0001	7/10/2017	001-A	We recommend that the General Deputy Assistant Secretary for Community Planning and Development develop and implement a quality review process at the headquarters level to ensure consistent compliance with its policy for risk analysis, to include but not be limited to reviewing supporting documentation for conclusions drawn.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-0001	7/10/2017	001-B	We recommend that the General Deputy Assistant Secretary for Community Planning and Development, develop and implement a policy requiring field offices to rate grantees of at least medium risk that have not been monitored in their respective program area within the last 3 years on factors that require assessments of capacity, program complexity, and monitoring findings resulting in repayment or grant reductions.	0
2017-FW-0001	7/10/2017	001-D	We recommend that the General Deputy Assistant Secretary for Community Planning and Development, develop and implement a quality control review process at the headquarters level to ensure compliance with monitoring requirements for reports and exhibits, to include but not be limited to explaining procedures performed and adequately explaining and providing supporting documentation for conclusions drawn.	0
2017-FW-0001	7/10/2017	001-C	We recommend that the General Deputy Assistant Secretary for Community Planning and Development, develop and implement guidance for field offices to maintain supporting documentation in their official files with an adequate explanation of procedures performed to verify risk scores assigned, which could include upgrading CPD's systems to allow for the attachment of supporting documentation for risk analyses.	0
2017-FW-0001	7/10/2017	001-E	We recommend that the General Deputy Assistant Secretary for Community Planning and Development, require field offices to upload referenced supporting documentation into CPD's system for findings and concerns developed during the monitoring review.	0
2017-FW-0001	7/10/2017	001-F	We recommend that the General Deputy Assistant Secretary for Community Planning and Development, update exhibits to require staff to document procedures performed, provide sufficient explanation to verify procedures performed and conclusions drawn, and reference appropriate supporting documentation.	0
2017-KC-0006	7/14/2017	001-A	Complete the rulemaking process for HUD's single-family note sales program.	0
2017-CH-1003	7/14/2017	002-E	Deposit the Family Self-Sufficiency program escrow funds into an interest-bearing account in accordance with HUD's requirements.	0
2017-KC-0006	7/14/2017	001-B	Develop and implement formal procedures and guidance for the note sales program.	0
2017-CH-1003	7/14/2017	002-F	Ensure that the program coordinator is trained on and familiar with HUD's regulations.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1003	7/14/2017	001-C	Evaluate its administration of the program and take the appropriate actions to ensure that the program is managed effectively.	0
2017-CH-1003	7/14/2017	002-H	Evaluate its administration of the program to ensure it has the necessary capacity and resources to effectively manage the program.	0
2017-CH-1003	7/14/2017	002-G	Implement quality control procedures to ensure that (1) documentation required by HUD is correctly completed and maintained, (2) escrow account disbursements are appropriate and fully supported, (3) escrow account deposits are correctly calculated and recorded, and (4) the contracts of participation contain information that reflects participants' current income and family rent amounts. The controls should include procedures for the review and approval of contract extensions and escrow account disbursements.	0
2017-AT-1007	7/17/2017	001-C	Ensure that the Land Bank completes and clears all outstanding annual audits for fiscal years 2012 through 2016.	0
2017-AT-1007	7/17/2017	001-D	Ensure that the Land Bank develops and implements adequate financial and file management policies and procedures to ensure that files are auditable and financial records adequately identify the source and application of federally sponsored activities in accordance with Federal regulations.	0
2017-AT-1007	7/17/2017	001-A	Provide adequate monitoring to the Land Bank to ensure that the subrecipient follows Federal regulations as required, including policies and procedures to help verify subrecipient compliance or address any deficiencies in need of correcting, such as annual audits, financial management systems, and file management.	0
2017-AT-1008	7/21/2017	001-A	Develop and implement HUD-approved policies and procedures to ensure that the process for conducting an internal audit complies with HUD regulations and the policies and procedures are submitted and certified to HUD.	0
2017-AT-1008	7/21/2017	001-B	Immediately conduct an internal audit of the CDBG-DR grant funds.	0
2017-AT-1009	7/21/2017	001-D	Implement adequate procedures for sufficiently monitoring its project sponsors' cash management.	0
2017-AT-1009	7/21/2017	001-C	Provide adequate training to staff responsible for reviewing and approving the expenditures to ensure compliance with HUD's and Louisville Metro's requirements for the administration of the HOPWA program, including processing program disbursements and monitoring project sponsors' cash management.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1008	7/21/2017	001-C	Update, finalize, and implement its procurement policies to comply with 2 CFR 200.317-326.	0
2017-AT-1010	8/4/2017	001-B	Certify, along with the owners of the 103 units cited in the finding, that the applicable housing quality standards violations have been corrected.	0
2017-AT-1010	8/4/2017	002-D	Complete a rent reasonableness determination for all current units for which a determination was required but not completed. The Authority should reimburse the program from non-Federal funds for any overpaid rental subsidy.	0
2017-AT-1010	8/4/2017	002-B	Complete a review of rental subsidy abatements for all current units for which a retroactive abatement was not conducted. The Authority should reimburse the program from non-Federal funds for any overpaid rental subsidy.	0
2017-AT-1010	8/4/2017	002-F	Complete a review that owners of current assisted units are not debarred, suspended, or subject to a limited denial of participation.	0
2017-AT-1010	8/4/2017	001-C	Develop and implement adequate policies and procedures for conducting quality control inspections in accordance with HUD's requirements.	0
2017-AT-1010	8/4/2017	002-C	Develop and implement written procedures and a process for retroactively abating housing assistance payments.	0
2017-AT-1010	8/4/2017	002-G	Develop and implement written procedures for conducting a complete owner eligibility determination.	0
2017-AT-1010	8/4/2017	002-E	Develop and implement written procedures to ensure that a rent reasonableness determination is performed before rent increases are approved.	0
2017-AT-1010	8/4/2017	002-H	Provide adequate training to its staff to ensure compliance with HUD's requirements for program units.	0
2017-LA-1006	8/9/2017	001-L	Develop and implement a monitoring program within the City's Development and Resource Management Department to ensure that it periodically monitors and provides guidance to its subrecipient(s) and City departments on how to administer CDBG funds.	0
2017-LA-1006	8/9/2017	001-K	Develop and implement written policies and procedures for specific departments, update and implement CDBG-specific written policies and procedures, and provide formal training and technical assistance to the Development and Resource Management Department employees to ensure that they understand and follow CDBG requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1006	8/9/2017	001-J	Execute contractual agreements with each CDBG recipient department to ensure compliance with all Federal guidelines.	0
2017-LA-1006	8/9/2017	001-B	Suspend funding to its code enforcement program until it can show that it has implemented controls, addressed its capacity issues, and understands and abides by HUD requirements.	0
2017-FW-1004	4/6/2017	001-F	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to implement an internal audit function that satisfies program requirements.	0
2017-FW-1004	4/6/2017	001-I	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to obtain technical assistance concerning the disaster recovery program requirements, including related Federal Register requirements. Specifically, the technical assistance should include guidance on how to satisfy the requirement regarding maintaining an internal audit function and Web site maintenance.	0
2017-FW-1004	4/6/2017	001-G	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to revise its monitoring policy to include the role of the internal auditor once implemented, and finalize and fully implement or revise its fraud, waste, and abuse detection policy to reflect current procedures.	0
2017-LA-1001	4/13/2017	001-G	Develop and implement policies and procedures that ensure labor wage interviews are completed and documented.	0
2017-LA-1001	4/13/2017	001-F	Develop and implement procurement policies and procedures for monitoring subrecipients to ensure that the scope of work developed by its subrecipients is sufficiently detailed to allow contractors to submit informed bids, reducing the number of change orders after the contract, and that its subrecipients do an independent cost analysis before all procurement transactions, including change orders, to ensure that it receives a reasonable price and allows for full and open competition.	0
2017-LA-1001	4/13/2017	002-B	Develop monitoring practices to ensure that all projects that use limited clientele criteria exclusively serve the specific population claimed.	0
2017-LA-1001	4/13/2017	003-F	Obtain training or technical assistance from HUD concerning CDBG code enforcement, allocation of payroll, and indirect administrative costs.	0
2017-LA-1001	4/13/2017	001-E	Provide support showing that the ADA pool improvement project allows equal and independent access for people with disabilities through a third party or correct the access issue.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-LA-1001	4/13/2017	001-H	Provide training to its staff on CDBG program rules and requirements to ensure that its staff adequately implements policies and procedures.	0
2017-BO-1005	4/21/2017	001-B	Amend and resubmit the management agreements and the management certifications for HUD approval and ensure that the agreements do not conflict with the management certifications.	0
2017-BO-1005	4/21/2017	001-A	Develop and implement adequate controls over payments for services that are part of the management fee.	0
2017-BO-1005	4/21/2017	001-C	Identify all unallowable fees and reimburse from non-project funds.	0
2017-FW-1005	4/25/2017	001-H	Compare current participant and financial data to the EIV and PIC system data to ensure that all participant data were accurately submitted and reported.	0
2017-FW-1005	4/25/2017	001-D	Develop and implement controls to identify errors and ensure that housing assistance payments are correctly calculated and paid, leases run concurrently with the housing assistance payments contract, required eligibility documentation is maintained, rent reasonableness is completed before executing the housing assistance payments contract and lease, the correct utility allowance rate is used, and documentation to support completed background checks is maintained.	0
2017-FW-1005	4/25/2017	001-G	Develop written policies and procedures, to include HUD's requirements to (1) properly report participant data in the PIC system, (2) report repayments and debts owed in the EIV system, and (3) monitor EIV reports.	0
2017-FW-1005	4/25/2017	001-F	Ensure that it executes form HUD-52675 with all program participants and adult household members.	0
2017-FW-1005	4/25/2017	001-J	Provide training to its staff to ensure that it is familiar with all HUD documentation and reporting requirements.	0
2017-FW-1005	4/25/2017	001-I	Revise its administrative plan to ensure that it accurately reflects current HUD requirements and the Authority's current policies and procedures.	0
2017-FW-1005	4/25/2017	001-E	Revise its written policies and procedures to ensure that it administers its participant repayment agreements in compliance with requirements.	0
2017-FW-1006	4/26/2017	002-B	Monitor the Authority to ensure it is holding its board meetings, as required by its bylaws.	0
2017-FW-1006	4/26/2017	002-A	Provide technical assistance to the Mayor and the board concerning their responsibilities regarding the Authority.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FW-1006	4/26/2017	001-I	Provide training for the Authority's commissioners on their responsibilities and duties.	0
2017-FW-1006	4/26/2017	001-J	Require the Authority to update its policies and procedures so that they contain current Federal guidance.	0
2017-FW-1006	4/26/2017	001-M	We recommend that the Associate General Counsel for Program Enforcement determine legal sufficiency and, if legally sufficient, pursue remedies under the Program Fraud Civil Remedies Act against the executive director.	0
2017-FW-1006	4/26/2017	001-K	We recommend that the Director, Departmental Enforcement Center take appropriate administrative sanctions, including suspension, limited denial of participation, or debarment against the executive director.	0
2017-AT-0001	4/27/2017	001-G	Develop and implement a tracking system for monitoring reviews of Section 108 loans.	0
2017-AT-0001	4/27/2017	001-D	Develop procedures directing field offices to include the review of Section 108-funded activities when performing the annual reviews of Block Grant recipients.	0
2017-AT-0001	4/27/2017	001-E	Develop procedures to ensure that the information necessary to monitor program performance and compliance with program requirements is promptly provided to the field offices.	0
2017-AT-0001	4/27/2017	001-F	Implement procedures to ensure that borrowers comply with all loan contract provisions and that required documents are submitted, including bank agreements, monthly statements, and security documents. If a borrower does not provide evidence that it has complied with all program requirements, HUD must initiate appropriate remedial actions under paragraph 12 of the contract.	0
2017-AT-1004	5/8/2017	001-D	Review all administration drawdown vouchers and provide documentation to support that the drawdowns for estimated payroll costs are reconciled with the actual payroll costs for the pay periods. Any calculated overpayment by NSP should be returned to the program to meet program purposes.	0
2017-FO-0006	5/11/2017	004-B	Develop and implement steps to ensure that adequate disclosures are made when future-year reduction targets for improper payments reported in the AFR are higher than the current-year improper payment estimates.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0006	5/11/2017	004-A	Develop and implement steps to ensure that the description of corrective actions highlights current efforts and key milestones for ongoing efforts and explain in the AFR how it specifically tailored its corrective actions to better reflect the unique processes, procedures, and risks involved with RHAP as required by OMB.	0
2017-FO-0006	5/11/2017	004-C	Disclose in the AFR the results of HUD's review concerning its current performance against program-specific improper payment reduction targets to promote transparency.	0
2017-FO-0006	5/11/2017	001-A	Ensure that all payments to Federal employees are included in HUD's periodic risk assessment cycle.	0
2017-FO-0006	5/11/2017	001-B	Establish and implement procedures and controls, in coordination with FHA, to ensure that FHA information reported in the AFR is accurate and consistent with supporting documents.	0
2017-FW-1007	5/17/2017	001-D	We recommend that the Program Center Coordinator, Office of Public Housing, Oklahoma City, OK, require the Authority to implement policies and procedures to monitor the EIV income discrepancy reports each quarter to minimize subsidy payment errors.	0
2017-FW-1007	5/17/2017	001-C	We recommend that the Program Center Coordinator, Office of Public Housing, Oklahoma City, OK, require the Authority to strengthen its compliance with requirements by implementing a quality control system that would require management to review a sample number of income calculations, ensure staff follow-up on income discrepancies and document their analysis.	0
2017-NY-0001	5/18/2017	001-B	We recommend that HUD's Deputy Assistant Secretary for Public Housing Investments direct staff to develop and implement policies and procedures with the Office of Field Operations regarding identification of potentially distressed projects and monitoring and enforcement of the required conversion program.	0
2017-PH-1003	5/22/2017	002-C	Correct the errors in the tenant files identified during the audit.	0
2017-PH-1003	5/22/2017	001-D	Develop and implement written procedures to ensure that it obtains written cost estimates as required and maintains complete documentation to support expenditures and that contractors performing or managing construction, removal, repair, or improvement work are properly licensed as required.	0
2017-KC-0003	5/22/2017	001-C	Improve its procedures for detecting and sanctioning improper voluntary terminations.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-0003	5/22/2017	001-B	Remind lenders that voluntary termination is not the correct termination type to record third-party sales and that borrower consent is required to terminate insurance, even if the loans are indemnified.	0
2017-PH-1003	5/22/2017	002-D	Review the issues identified in this audit report and if appropriate, pursue administrative sanctions against the board of directors for the violations cited in this report.	0
2017-AT-1005	5/24/2017	001-F	Perform onsite monitoring of the subrecipient that administered project FL0431L4D001403 to ensure that participants are eligible and annual income re-certifications are performed.	0
2017-AT-1005	5/24/2017	001-C	Provide guidance to subrecipients to ensure that (1) on-the-job training hours are supported by source documents, such as signed attendance or time sheets, and (2) personal goods and services are supported by documents that show the allocation between business and personal use.	0
2017-NY-1005	1/13/2017	001-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to strengthen the County's administrative controls to ensure that its HOME program is reimbursed for assistance spent on terminated or noncompliant activities.	0
2017-NY-1005	1/13/2017	001-C	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide environmental review documentation, such as environmental assessment and a phase I environmental review, for the activity to support compliance with environmental review requirements.	0
2017-NY-1005	1/13/2017	001-D	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide procurement documentation, such as proof of advertising, bids received, bid analysis reports, contracts, and other documents, for contracts associated with the three activities to support compliance with procurement requirements.	0
2017-NY-1005	1/13/2017	001-H	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to strengthen the County's administrative controls to ensure compliance with environmental, procurement, and other program requirements.	0
2017-NY-1005	1/13/2017	001-I	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide HOME program training to County staff to ensure compliance with HOME program requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1005	1/13/2017	001-N	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to reconcile the County's carryover balance of HOME match as of September 30, 2015, for the ineligible HOME match contributions and the understated HOME match contributions.	0
2017-NY-1005	1/13/2017	001-P	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to strengthen the County's financial controls over reconciling bank records to ensure that HOME funds in the local bank account are spent before drawdowns are made from LOCCS.	0
2017-NY-1005	1/13/2017	001-Q	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to provide documentation, such as pay stubs and leases, to support compliance with HOME program rent limit and income eligibility requirements for the six tenants who occupied HOME-assisted units.	0
2017-NY-1005	1/13/2017	001-S	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct County officials to strengthen the County's administrative controls to ensure that County staff adequately monitors its subgrantee for compliance with HOME program requirements and provide HOME program training to the County subgrantee's staff.	0
2017-KC-0002	1/20/2017	001-B	Require public housing agencies to report the program admission date to any multifamily property listed on the Enterprise Income Verification existing tenant search during the admission process.	0
2017-KC-0002	1/20/2017	001-C	Require public housing agencies to maintain support for any communication with a multifamily property listed on the Enterprise Income Verification existing tenant search.	0
2017-KC-0002	1/20/2017	001-D	Require HUD staff to review Enterprise Income Verification reports from the last 12-month period during onsite housing agency reviews to ensure that any multiple subsidies have been resolved.	0
2017-CH-1001	1/24/2017	001-B	Implement adequate procedures and controls, including but not limited to developing a plan to manage its central office cost center expenses and determining an appropriate fee structure with HUD's approval that would allow it to operate its program within HUD's requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1001	1/24/2017	001-C	Implement adequate procedures and controls, including but not limited to providing training to its staff to ensure that the Commission fully implements asset management and operates its program in accordance with HUD's requirements.	0
2017-BO-1003	1/24/2017	001-D	Develop and implement controls over payments to include; ensuring that its management agreement clearly identifies services that are be provided by the management agent and paid for as part of the management fee, and the project is not charged for services that are part of the management fee.	0
2017-LA-0002	1/25/2017	001-A	Pursue departmental clearance for the 13 documents and policies identified that did not go through required departmental clearance. For any items that cannot be appropriately cleared, HUD should take appropriate action to recall the document or policy.	0
2017-LA-0002	1/25/2017	001-C	Review the Clearance Calendar and ensure that appropriate form HUD-22 concurrence forms were obtained and documented for directives issued by other HUD offices.	0
2017-LA-0002	1/25/2017	001-D	Implement controls to ensure that future directives are reviewed and documented in the Clearance Calendar tracking system as required.	0
2017-LA-0002	1/25/2017	001-E	Update policies and procedures for the directives process, including responsibilities for process oversight and clear guidance defining when clearance is required.	0
2017-LA-0002	1/25/2017	001-F	Develop and provide training to appropriate staff and required reviewing offices regarding the departmental clearance process requirements.	0
2017-NY-1006	1/31/2017	001-C	We recommend that the Director of HUD's New York Office of Public Housing require Authority officials to establish and implement procedures and effective financial controls to ensure that costs charged to the public housing program are properly incurred and comply with applicable regulations.	0
2017-DP-0001	2/1/2017	001-A	Not released to public.	0
2017-DP-0001	2/1/2017	001-B	Not released to public.	0
2017-DP-0001	2/1/2017	001-C	Not released to public.	0
2017-DP-0001	2/1/2017	001-D	Not released to public.	0
2017-DP-0001	2/1/2017	001-E	Not released to public.	0
2017-DP-0001	2/1/2017	001-H	Not released to public.	0
2017-DP-0001	2/1/2017	001-I	Not released to public.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-DP-0001	2/1/2017	001-J	Not released to public.	0
2017-DP-0001	2/1/2017	001-K	Not released to public.	0
2017-DP-0001	2/1/2017	001-L	Not released to public.	0
2017-DP-0002	2/9/2017	001-A	Not released to public.	0
2017-DP-0002	2/9/2017	001-B	Not released to public.	0
2017-DP-0002	2/9/2017	001-C	Not released to public.	0
2017-DP-0002	2/9/2017	002-A	Not released to public.	0
2017-DP-0002	2/9/2017	002-B	Not released to public.	0
2017-DP-0002	2/9/2017	002-C	Not released to public.	0
2017-DP-0002	2/9/2017	003-C	Not released to public.	0
2017-DP-0002	2/9/2017	004-A	Not released to public.	0
2017-DP-0002	2/9/2017	004-B	Not released to public.	0
2017-DP-0002	2/9/2017	004-D	Not released to public.	0
2017-DP-0002	2/9/2017	005-B	Not released to public.	0
2017-DP-0002	2/9/2017	005-C	Not released to public.	0
2017-DP-0002	2/9/2017	006-A	Not released to public.	0
2017-DP-0002	2/9/2017	006-B	Not released to public.	0
2017-DP-0002	2/9/2017	006-C	Not released to public.	0
2017-DP-0002	2/9/2017	006-D	Not released to public.	0
2017-DP-0002	2/9/2017	006-E	Not released to public.	0
2017-DP-0002	2/9/2017	006-F	Not released to public.	0
2017-DP-0002	2/9/2017	006-G	Not released to public.	0
2017-DP-0002	2/9/2017	007-D	Not released to public.	0
2017-DP-0002	2/9/2017	008-A	Not released to public.	0
2017-NY-1007	2/17/2017	001-B	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage to ensure that reimbursement is not requested for holding costs incurred beyond the conveyance deadline related to FHA loan number 281-3493258.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-NY-1007	2/17/2017	001-C	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage to instruct the investors or holders for FHA loan numbers 501-7067695, 501-6877136, 061-0982338, and 501-5885504 to transfer these loans to FHA-approved servicers.	0
2017-NY-1007	2/17/2017	001-D	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage to implement procedures to ensure that FHA loans are transferred only to FHA-approved servicers regardless of investor input.	0
2017-NY-1007	2/17/2017	001-E	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage to strengthen conveyance procedures to ensure that properties are transferred to HUD within 30 days of securing the property, thereby ensuring that ineligible costs are not paid by HUD on future loans submitted for claim.	0
2017-NY-1007	2/17/2017	001-F	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage to strengthen program controls and procedures to ensure that servicing efforts are accurately reported in HUD systems, thereby complying with HUD's loss mitigation requirements.	0
2017-NY-1007	2/17/2017	001-G	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing review the part B claim paid for FHA loan number 501-7612832, determine the amount of holding costs paid after the conveyance deadline, and require the relevant servicer to repay the ineligible holding costs to the FHA insurance fund.	0
2017-NY-1007	2/17/2017	002-A	We recommend that the Acting Deputy Assistant Secretary for Single Family Housing instruct Seneca Mortgage officials to develop and implement program controls and procedures for FHA-insured loans being subserviced by another lender, including procedures for conducting quality control reviews of the subservicer's actions.	0
2017-FO-0005	3/1/2017	001-A	Evaluate the current content of HUD's financial statement note disclosures to identify outdated or irrelevant information that may not be needed, while maintaining compliance with OMB Circular A-136 and presenting the reader with the information necessary to understand HUD's financial statements.	0
2017-FO-0005	3/1/2017	001-B	Work with FHA and Ginnie Mae to reevaluate the note consolidation process to determine changes that can be made to the process to ensure compliance with financial reporting requirements.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0005	3/1/2017	001-C	Reassess HUD's current consolidated financial statement and notes review process to ensure that (1) all reviewers have sufficient financial reporting experience; (2) it includes steps to verify that the notes match HUD's financial statements, are sufficiently supported, and accurately include FHA and Ginnie Mae information; and the review can be completed within the required timeframe needed to allow for audit.	0
2017-FO-0005	3/1/2017	001-D	Develop a plan to ensure that restatements to HUD's consolidated financial statements are properly reflected in all notes impacted by the restatement.	0
2017-FO-0801	3/2/2017	001-A	Request sufficient monetary resources to upgrade HUD's many legacy and financial systems so its technologies and data elements no longer differ and can perform the necessary data inventory and mapping to report HUD's information in USASpending.gov accurately and in a timely manner.	0
2017-FO-0801	3/2/2017	001-B	Ensure that HUD program officials continue taking appropriate steps to fully resolve its errors and data quality issues that the agency identified during implementation, including those related to assigning a unique identifier consistent with the established DATA Act schema, such as the Federal Award Identification Number.	0
2017-AT-1003	3/2/2017	001-C	Submit a plan showing how it will proceed regarding the Yabucoa, Juncos, and Barceloneta housing projects, including a schedule that HUD can track to ensure their completion.	0
2017-FO-0801	3/2/2017	001-C	Designate official DATA Act points of contact for FHA and Ginnie Mae and oversee the progress of the two HUD components' individual implementation plans, ensuring timely and successful completion of their steps.	0
2017-FO-0801	3/2/2017	001-D	Finalize required mapping of HUD's, including FHA's and Ginnie Mae's, financial, budgetary and programmatic data, as required by the DATA Act and OMB guidance.	0
2017-AT-1003	3/2/2017	001-E	Develop and implement written policies detailing procedures and responsibilities related to program administration and monitoring of the escrow program.	0
2017-AT-1003	3/2/2017	002-A	Transfer all escrow funds to a financial institution that is supervised by the Federal Deposit Insurance Corporation or the National Credit Union Administration and ensure that all deposits are secured by the Federal Government. Any amount not recovered from the Development Bank must be reimbursed to the escrow account from non-Federal funds.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1003	3/2/2017	002-B	Submit required certifications and supporting documentation showing that residents of escrow-funded activities met the established income limit requirements. Any amounts determined ineligible must be reimbursed to the escrow account from non-Federal funds.	0
2017-LA-0003	3/3/2017	001-A	Reconsider HUD's position on questioned borrower-financed downpayment assistance programs, including an analysis of the financial impact to FHA borrowers, risk to the FHA program, and whether current statute prohibits borrower-financed downpayment assistance programs as they are currently structured.	0
2017-LA-0003	3/3/2017	001-B	Develop and implement policies and procedures to strengthen HUD's comprehensive loan-level, postendorsement, and lender reviews by evaluating loans containing downpayment assistance (for example, interest rates, fees, borrower certifications, lender reviews, impact to borrower, related agreements, etc.). Policies and procedures should include evaluating the structure of downpayment assistance programs, including whether the programs' structure and funding mechanisms comply with all HUD requirements and guidelines.	0
2017-LA-0003	3/3/2017	001-C	Develop specific requirements and guidance for lenders to review HFA downpayment assistance programs (for example, interest rates, fees, borrower certifications, lender reviews, impact to borrower, related agreements, etc.). Requirements and guidance should include evaluating the structure of downpayment assistance programs, including whether the programs' structure and funding mechanisms comply with all HUD requirements and guidelines.	0
2017-KC-1002	3/3/2017	001-D	Require New Horizons to obtain independent management.	0
2017-LA-0003	3/3/2017	001-D	Require lenders to obtain a borrower certification that details their participation in an HFA downpayment assistance program, including relevant details of the specific program (for example, impact on interest rate, mortgage payments, fees, equity, acknowledgement of other less costly loan products, etc.).	0
2017-KC-1002	3/3/2017	001-E	Require New Horizons to conduct a review to determine who currently lives in the units and verify their eligibility.	0
2017-LA-0003	3/3/2017	001-E	Ensure that lenders enter accurate and missing downpayment assistance gift data into FHA Connection when identified by HUD.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-KC-1002	3/3/2017	001-F	Monitor New Horizons to ensure that it properly maintains tenant files, completes required annual recertifications, and supports disability exemptions in accordance with HUD requirements.	0
2017-LA-0003	3/3/2017	001-F	Implement new data fields where lenders would be required to enter specific downpayment assistance information (for example, name of the source, name of assistance program, name of government entity or HFA, etc.) to allow for auditability and for HUD to generate reports and perform risk assessments.	0
2017-LA-0003	3/3/2017	001-G	Review fees identified in this report that were charged as part of borrower-financed downpayment assistance programs and determine whether they are reasonable or necessary. HUD should immediately notify lenders to discontinue charging any fees that are determined to be unreasonable and unnecessary.	0
2017-LA-0003	3/3/2017	001-H	Require any participating lender to reimburse borrowers that received an FHA loan with borrower-financed downpayment assistance for any fees that were determined to be unreasonable and unnecessary.	0
2017-NY-1008	3/10/2017	001-D	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to implement policies and procedures to ensure accountability for travel and training costs and require the Authority to maintain adequate supporting documents for travel, training, health coverage waiver incentives, supplies, food, decorations, and any other costs charged to the Capital Fund and Operating Fund to ensure that costs were actually incurred, necessary, reasonable and allowable.	0
2017-NY-1008	3/10/2017	001-I	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to obtain retroactive approval from HUD for the pending litigation related to issues with the elevators. If approval is not obtained, the Authority should withdraw the lawsuit.	0
2017-NY-1008	3/10/2017	001-O	We recommend that the Acting Director of HUD's Newark Office of Public Housing instruct Authority officials to develop and implement an appropriate policy for program income, including the proper use, accounting, and reporting of program income in accordance with the Federal definition and treatment of program income.	0
2017-NY-1008	3/10/2017	001-Q	We recommend that the Director of HUD's Departmental Enforcement Center pursue administrative sanctions against any current or former Authority officials found to have spent public housing program funds for personal or unallowable use.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-PH-1001	3/22/2017	001-E	Revise its policies and procedures to address compliance with applicable procurement regulations requiring independent cost estimates before receiving bids or proposals.	0
2017-PH-1001	3/22/2017	001-F	Train its staff on requirements for documenting costs funded by multiple funding sources.	0
2017-PH-1001	3/22/2017	001-G	Develop and implement controls to ensure that subrecipients comply with requirements for documenting costs funded by multiple funding sources.	0
2017-PH-1001	3/22/2017	001-H	Determine whether it has complied with environmental review requirements for all activities since October 2010 and provide a copy of its determination to HUD. If it did not comply, either provide the necessary support for the activities or repay its program from non-Federal funds for any activity costs it cannot support.	0
2017-PH-1001	3/22/2017	001-I	Develop and implement controls to ensure that it complies with environmental review requirements.	0
2017-PH-1001	3/22/2017	001-J	Review accomplishment data that it reported in IDIS for open and completed activities to ensure that accomplishments were reported accurately.	0
2017-PH-1001	3/22/2017	001-K	Train its staff on reporting accomplishments in IDIS and develop and implement policies and procedures for supervisory review to ensure accuracy.	0
2017-PH-1001	3/22/2017	001-L	Include compliance with environmental review requirements in its project-specific reviews in its next periodic monitoring of the City's Block Grant program.	0
2017-PH-1002	3/24/2017	001-G	Develop and implement controls to ensure that financial statements are submitted to HUD in a timely manner, including paying the correct amount of annual payments according to the terms of the mortgage.	0
2017-PH-1002	3/24/2017	001-H	Develop and implement controls to ensure that the project complies with applicable HUD requirements.	0
2017-PH-1002	3/24/2017	001-J	Provide training and technical assistance to the owner and its management agent to ensure compliance with the terms of its mortgage and other applicable HUD requirements.	0
2017-FW-1004	4/6/2017	001-B	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the Parish to support the cost reasonableness or repay its program from non-Federal funds \$362,319 paid to its consultant contractor without an independent cost estimate.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-AT-1006	6/9/2017	002-D	Develop and implement adequate procedures and controls to ensure that the reporting of allocated capital funds in HUD's system is accurate.	0
2017-AT-1006	6/9/2017	002-E	Provide adequate training to staff responsible for making entries into HUD's system to ensure accurate reporting on allocated funds. The training should include but not be limited to ensuring that its staff understands all of HUD's reporting requirements for obligations and authorizations.	0
2017-KC-0005	6/12/2017	001-A	Create and implement policies and procedures or change program regulations to prevent multifamily housing properties from charging more for Section 8 units than for comparable non-Section 8 units. For the 25 properties reviewed, this measure would prevent as much as \$3,144,894 of Section 8 funds from subsidizing non-Section 8 units in the next year.	0
2017-FW-1008	6/28/2017	001-A	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to repay from non-Federal funds \$11,172 paid for ineligible travel costs of which \$6,904 was Housing Choice Voucher and \$4,268 was operating subsidy funds.	0
2017-FW-1008	6/28/2017	001-B	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to repay from non-Federal funds \$2,946 paid for excessive lodging rates, extra trip days, and car rental costs of which \$1,214 was Housing Choice Voucher and \$1,732 was operating subsidy funds.	0
2017-FW-1008	6/28/2017	001-C	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to Support or repay its HUD programs from non-Federal funds \$9,020 for unsupported meals, incidental expenses, lodging costs, and travel for training of which \$2,978 was Housing Choice Voucher and \$6,041 was operating subsidy funds.	0
2017-CH-1003	7/14/2017	001-D	Implement adequate quality control procedures to ensure that it correctly calculates housing assistance payments to ensure that \$32,960 in program funds is appropriately used for future payments.	0
2017-CH-1003	7/14/2017	002-A	Reimburse its program \$25,231 (\$15,061 in inappropriate graduation payments + \$10,170 in inappropriate interim disbursements) from non-Federal funds for the incorrect escrow account disbursements.	0
2017-CH-1003	7/14/2017	001-B	Reimburse the appropriate households \$2,213 from program administrative fee reserves for the underpayment of housing assistance due to inappropriate calculations.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-CH-1003	7/14/2017	002-B	Support or reimburse its program \$296 from non-Federal funds for the unsupported escrow account disbursements.	0
2017-BO-1007	9/21/2017	001-C	Determine the appropriateness of the remaining balance of \$1,242,154 on unsupported contracts to ensure costs were reasonable, reprocure the subject contracts, or reallocate the funds to the appropriate program.	0
2017-BO-1007	9/21/2017	001-B	Repay the appropriate programs from non-Federal funds the \$1,524,604 in ineligible funds paid when costs exceeded contract terms.	0
2017-BO-1007	9/21/2017	001-D	Strengthen controls to ensure that services are provided in accordance with contract scopes of work.	0
2017-BO-1007	9/21/2017	001-A	Support that \$2,533,377 in costs were reasonable and allowable program expenses in accordance with requirements or repay from non-Federal funds the appropriate programs any amounts they cannot support.	0
2017-CH-1009	9/30/2017	001-K	Work with the project's owner and Greystone for the owner to develop an action plan to bring the owner current on the project's mortgage, reserve for replacements, and taxes and insurance to prevent a claim to HUD on the mortgage.	0

OFFICE OF EVALUATION

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2013-OE-0001	11/15/2013	5	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	9	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	11	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	21	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	32	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	36	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	39	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	40	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	42	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	44	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	46	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2013-OE-0001	11/15/2013	50	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	51	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	53	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	55	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2013-OE-0001	11/15/2013	56	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	2	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	4	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	7	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	8	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	10	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	11	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2014-ITED-0001	4/30/2014	16	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	17	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	18	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	19	The OIG has determined that the contents of this recommendations would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	21	The OIG has determined that the contents of this recommendations would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	32	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	33	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-ITED-0001	4/30/2014	34	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0002	2/12/2016	1	To strengthen HUD-wide enforcement that supports HUD's broader risk management efforts, we recommend that the Deputy Secretary implement an enterprise-wide approach to enforcement using risk management concepts similar to those shown in the multifamily enforcement model.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2014-OE-0002	2/12/2016	2	To strengthen HUD-wide enforcement that supports HUD's broader risk management efforts, we recommend that the Deputy Secretary strengthen DEC's authority to enforce program requirements. Program offices should be directed to incorporate risk management procedures, to include risk-based, data-driven referrals to DEC, and implement a process that allows DEC to recommend enforcement actions independently. The Deputy Secretary or designee should be the final arbiter when disagreements arise.	\$0
2014-OE-0002	2/12/2016	3	To strengthen HUD-wide enforcement that supports HUD's broader risk management efforts, we recommend that the Deputy Secretary provide DEC with the authority and resources necessary to implement a HUD-wide enforcement program.	0
2014-OE-0002	2/12/2016	4	To strengthen HUD-wide enforcement that supports HUD's broader risk management efforts, we recommend that the Deputy Secretary Direct program offices and REAC to collaborate with DEC to research the types of data that would provide clear indications of financial and physical performance failures appropriate for use in data-driven referrals to DEC from each program office.	0
2014-OE-0002	2/12/2016	5	To address operational challenges that impede DEC's capacity to support HUD programs, we recommend that the General Counsel provide resources and support to DEC to strengthen enforcement across HUD programs.	0
2014-OE-0002	2/12/2016	6	To address operational challenges that impede DEC's capacity to support HUD programs, we recommend that the General Counsel develop a strategy for addressing additional enforcement workload.	0
2014-OE-0002	2/12/2016	7	We recommend that the Deputy Assistant Secretary evaluate the impact of Multifamily's reorganization on enforcement, including (1) monitoring the impact of changes to the risk assessment process, (2) making changes to MOUs, (3) documenting procedural changes and how those changes affect DEC and REAC collaboration, (4) improving data tracking and data sharing with DEC and REAC on improvement and enforcement actions taken and associated results, and (5) ensuring that Multifamily has the capacity to maintain the improvements it has achieved in recent years.	0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2014-OE-0002	2/12/2016	8	To support potential expanded data gathering for program offices, we recommend that the Principal Deputy Assistant Secretary direct REAC to work with DEC and program offices to identify and develop strategies for collecting data needed to support its National Risk Assessment Tool and ERM to include major program participant risks.	\$0
2014-OE-0003	11/15/2014	4	The OIG has determined that the contents of this recommendations would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	8	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	13	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	14	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	16	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	17	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	18	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	19	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	20	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2014-OE-0003	11/15/2014	21	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2014-OE-0003	11/15/2014	22	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	1	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	3	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	4	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	5	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	6	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	7	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	12	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	13	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	14	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	15	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2015-OE-0001	11/15/2015	16	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	17	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	18	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	19	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0001	11/15/2015	20	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2015-OE-0002	9/29/2015	1	Develop a coordinated mission-critical system development life cycle replacement program for mission-critical systems.	N/A
2015-OE-0002	9/29/2015	3	Finalize, apply, and strategically communicate all standard IT policy across OCIO and the program offices to ensure that there is a common understanding of the modernization, EA, and CPIC policies.	N/A
2015-OE-0002	9/29/2015	4	Approve at appropriate levels, implement, and disseminate policy and processes as intended.	N/A
2015-OE-0002	9/29/2015	5	Formalize and fully implement segment governance.	N/A
2015-OE-0002	9/29/2015	7	Implement project health assessments to measure the effectiveness of IT project planning and execution.	N/A
2015-OE-0002	9/29/2015	8	Validate the accuracy of IT investment lists by segment and the associated projects and ensure alignment with EA strategy.	N/A
2015-OE-0002	9/29/2015	9	Define and assess measurements in a yearly EA value measurement report in accordance with OMB EA framework guidance.	N/A
2015-OE-0002	9/29/2015	10	Fully develop, approve at appropriate levels, and disseminate current CPIC process policies and procedures.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2015-OE-0002	9/29/2015	11	Ensure that the Executive Investment Board meets in accordance with IT governance policy (related to recommendation from GAO-15-56).	N/A
2015-OE-0002	9/29/2015	13	Implement HUDPlus to automate, track, and analyze the IT investment submissions and requirements.	N/A
2015-OE-0004	2/2/2016	3A	Systematically determine which types, sizes, or categories of contracts may be most efficiently and effectively accomplished by OCPO and which should use a shared services approach.	N/A
2015-OE-0004	2/2/2016	3B	Develop decision criteria, protocols, and assistance for program offices to implement either OCPO or shared services acquisitions that are the most efficient and economical.	N/A
2015-OE-0004	2/2/2016	3D	Work closely with each program office to reach agreement on the staffing model and resources needed to implement the COR professionalization initiative.	N/A
2015-OE-0007S	11/20/2015	1	Require field offices to review PHA-provided flood insurance documents to verify that PHAs have flood insurance policies for those buildings in flood zones.	N/A
2015-OE-0007S	11/20/2015	3	Require the Crisfield, MD, PHA to procure full flood insurance coverage to protect itself and HUD's investments from financial loss.	N/A
2015-OE-0008	3/30/2016	1B	The Personnel Security Division director should development a comprehensive policy and clear guidance for all HUD personnel with roles and responsibilities related to contractor employee security.	NA
2015-OE-0008	3/30/2016	4A	The Chief Human Capital Officer should take immediate steps to eliminate the suitability adjudication backlog and meet the Office of Personnel Management timeliness standards, including the following: <ul style="list-style-type: none"> - Devoting adequate and appropriately trained staff to perform suitability adjudications and - Prioritizing, obtaining, and implementing an automated case management system. 	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2016-OE-0001	9/23/2016	1	Develop internal written procedures for records management that: a. Identify materials OHF collects or generates, which meet the regulatory definition of a record; b. Comply with Federal and departmental records management policies, to include appropriate records disposition schedules; and c. Inform all personnel of their records management responsibilities.	N/A
2016-OE-0001	9/23/2016	2	Ensure that personnel preparing records for archiving are trained to perform this function and aware of all relevant records disposition schedules and policies.	N/A
2016-OE-0001	9/23/2016	3	Offer records management training that incorporates a. Federal and departmental records management policies, to include HUD's safeguards against the removal or loss of records and the penalties provided by law for the unlawful removal or destruction of records, and b. Employee records management responsibilities, to include identification and maintenance of Federal records in all formats and media.	N/A
2016-OE-0002	6/7/2017	1	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	2	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	3	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	4	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	5	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	6	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2016-OE-0002	6/7/2017	7	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	8	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0002	6/7/2017	9	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0004S	3/29/2017	1	Director for the Office of Field Management ensure that the CDBG-DR risk analysis worksheet includes risk factors that show the measurement of performance outputs to determine completed activities.	N/A
2016-OE-0004S	3/29/2017	2	Director for the Office of Field Management update the risk analysis guidance for CDBG-DR grants to include the assessment of the likelihood of risk occurrence to help inform management which critical risks to address during monitoring.	N/A
2016-OE-0004S	3/29/2017	3	Director for the DRSI Division ensure that monitoring strategies correlate to the high-risk areas identified during the risk analysis and are in compliance with the central risk factor categories identified in HUD's Monitoring Desk Guide.	N/A
2016-OE-0006	11/25/2016	2	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	3	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	4	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	5	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2016-OE-0006	11/25/2016	7	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	9	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	11	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	12	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0006	11/25/2016	13	The OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has therefore limited its distribution to selected officials.	N/A
2016-OE-0010	4/19/2017	1	The Director of OFPM should complete all steps necessary for an effective evaluation effort.	N/A
2016-OE-0010	4/19/2017	2	The Director of OFPM should: <ul style="list-style-type: none"> • Work with grant program offices to overcome reporting challenges. • Ensure that grant program offices report OMB-requested data. • Learn from and leverage results of participating grant programs. 	N/A
2016-OE-0010	4/19/2017	3	The Director of OFPM should: <ul style="list-style-type: none"> • Work with the PD&R on an evaluation approach and design for the Promise Zone initiative. • Ensure that OFPM has the appropriate resources for its new Communications and Data Analysis Division. 	N/A
2016-OE-0011S	5/3/2017	1	Provide clearer guidance and instruction to PL 113-2 disaster grantees to assist them in establishing an effective internal audit activity.	N/A
2016-OE-0011S	5/3/2017	2	Establish a recurring training and discussion forum among the PL 113-2 grantees and CPD that enables grantees to share ideas and receive guidance and information about CPD's expectations regarding the internal audit requirement.	N/A

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	BALANCE DUE
2017-OE-0011	9/15/2017	1	We recommend that ORCF identify and implement a method to ensure that eligible RCFs in its portfolio receive database adjustments when appropriate under local code, either by working directly with REAC or by instructing RCFs to apply for adjustments themselves.	N/A
2017-OE-0011	9/15/2017	2	We recommend that REAC identify and implement a method to ensure that HUD does not instruct facilities to negate safety features.	N/A
2017-OE-0011	9/15/2017	3	We recommend that ORCF identify and implement a method that ensures the expeditious followup inspection of RCFs that have not been inspected timely after receiving their last below-60 REAC score.	N/A

OIG TELEPHONE DIRECTORY

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REGION 5	Chicago, IL	312-353-7832
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OFFICE OF INVESTIGATION

HEADQUARTERS

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Richmond, VA	804-822-4890

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Birmingham, AL	205-745-4314
Columbia, SC	803-451-4318
Greensboro, NC	336-547-4000
Memphis, TN	901-554-3148
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Jackson, MS	601-329-6924

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Indianapolis, IN	317-957-7377
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Houston, TX	713-718-3227
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New Orleans, LA	504-671-3700
Oklahoma City, OK	405-609-8601
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REGION 7-8-10

Denver, CO	303-672-5350
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JOINT CIVIL FRAUD DIVISION

Audit	Kansas City, KS	913-551-5566
Investigation	Kansas City, KS	913-551-5566

ACRONYMS AND ABBREVIATIONS LIST

ACD	Accelerated Claims Disposition program
ADA	Americans with Disabilities Act
AFR	agency financial report
ASC	Accounting Standards Codification
CAIVRS	Credit Alert Verification Reporting System
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant Disaster Recovery
CFR	Code of Federal Regulations
CIGIE	Counsel of the Inspectors General on Integrity and Efficiency
CPD	Office of Community Planning and Development
CMP	civil monetary penalty
CNA	Capital Needs Assessment
CWCOT	Claims Without Conveyance of Title program
DATA Act	Digital Accountability and Transparency Act of 2014
DOJ	U.S. Department of Justice
FEMA	Federal Emergency Management Agency
FFMIA	Federal Financial Management Improvement Act of 1996
FHA	Federal Housing Administration
FHFA	Federal Housing Finance Agency
FIFO	first-in, first-out
FISMA	Federal Information Security Modernization Act
FMR	fair market rent
FOIA	Freedom of Information Act
FSSP	Federal shared service provider
GAAP	generally accepted accounting principles
GAO	U.S. Government Accountability Office
Ginnie Mae	Government National Mortgage Association
HECM	home equity conversion mortgage

ACRONYMS AND ABBREVIATIONS LIST (CONTINUED)

HUD	U.S. Department of Housing and Urban Development
ICP	Integrity and Compliance Program
IDIS	Integrated Disbursement and Information System
IG	Inspector General
IGEA	Inspector General Empowerment Act
IHBG	Indian Housing Block Grant
IPERA	Improper Payments Elimination and Recovery Act of 2010
IRS CI	Internal Revenue Service Criminal Investigation
IT	information technology
MHI	mortgage held for investment
MSS	master servicer
NAHASDA	Native American Housing Assistance and Self Determination Act
NCIS	New Core Interface Solution
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCMA	Office of the Commissioner for Municipal Affairs
OE	Office of Evaluation
OFPM	Office of Field Policy and Management
OI	Office of Investigation
OIG	Office of Inspector General
OMB	Office of Management and Budget
ORCF	Office of Residential Care Facilities
OSPM	Office of Strategic Planning and Management
PHA	public housing agency
PHHHL	PHH Home Loans, LLC
PHHMC	PHH Mortgage Corporation
PIH	Office of Public and Indian Housing
RAD	Rental Assistance Demonstration program

ACRONYMS AND ABBREVIATIONS LIST (CONTINUED)

RCF	residential care facility
REAC	Real Estate Assessment Center
SAR	Semiannual Report to Congress
SIGTARP	Special Inspector General for the Troubled Asset Relief Program
URLA	Uniform Residential Loan Application
USAO	U.S. Attorney's Office
USSGL	United States Standard General Ledger

REPORTING REQUIREMENTS

The specific reporting requirements as prescribed by the Inspector General Act of 1978, as amended by the Inspector General Act of 1988, are listed below:

SOURCE-REQUIREMENT	PAGES
Section 4(a)(2)-review of existing and proposed legislation and regulations.	34
Section 5(a)(1)-description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department.	1-36, 59-60
Section 5(a)(2)-description of recommendations for corrective action with respect to significant problems, abuses, and deficiencies.	41-58
Section 5(a)(3) ²⁴ -identification of each significant recommendation described in previous Semiannual Report on which corrective action has not been completed.	Appendix 3, Table B, 73
Section 5(a)(4)-summary of matters referred to prosecutive authorities and the prosecutions and convictions that have resulted.	1-36
Section 5(a)(5)-summary of reports made on instances where information or assistance was unreasonably refused or not provided, as required by Section 6(b)(2) of the Act.	No Instances
Section 5(a)(6)-listing of each audit report completed during the reporting period, and for each report, where applicable, the total dollar value of questioned and unsupported costs and the dollar value of recommendations that funds be put to better use.	Appendix 2, 62
Section 5(a)(7)-summary of each particularly significant report.	1-36
Section 5(a)(8)-statistical tables showing the total number of audit reports and the total dollar value of questioned and unsupported costs.	Appendix 3, Table C, 92
Section 5(a)(9)-statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management.	Appendix 3, Table D, 93
Section 5(a)(10)-summary of each audit report issued before the commencement of the reporting period for which no management decision had been made by the end of the period.	Appendix 3, Table A, 71
Section 5(a)(10) - summary of each audit report, inspection, reports, and evaluation reports for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.	Appendix 5, 97
Section 5(a)(11)-a description and explanation of the reasons for any significant revised management decisions made during the reporting period.	51
Section 5(a)(12)-information concerning any significant management decision with which the Inspector General is in disagreement.	53
Section 5(a)(13)-the information described under section 05(b) of the Federal Financial Management Improvement Act of 1996.	57

²² Unsupported costs are a subset of questioned costs that the IG Act requires be identified separately from the cumulative questioned costs identified.

FRAUD ALERT

Every day, loan modification and foreclosure rescue scams rob vulnerable homeowners of their money and their homes. The U.S. Department of Housing and Urban Development (HUD), Office of Inspector General, is the Department's law enforcement arm and is responsible for investigating complaints and allegations of mortgage fraud. Following are some of the more common scams:

COMMON LOAN MODIFICATION SCAMS

Phony counseling scams: The scam artist says that he or she can negotiate a deal with the lender to modify the mortgage — for an upfront fee.

Phony foreclosure rescue scams: Some scammers advise homeowners to make their mortgage payments directly to the scammer while he or she negotiates with the lender. Once the homeowner has made a few mortgage payments, the scammer disappears with the homeowner's money.

Fake “government” modification programs: Some scammers claim to be affiliated with or approved by the government. The scammer's company name and Web site may appear to be a real government agency, but the Web site address will end with .com or .net instead of .gov.

Forensic loan audit: Because advance fees for loan counseling services are prohibited, scammers may sell their services as “forensic mortgage audits.” The scammer will say that the audit report can be used to avoid foreclosure, force a mortgage modification, or even cancel a loan. The fraudster typically will request an upfront fee for this service.

Mass joinder lawsuit: The scam artist, usually a lawyer, law firm, or marketing partner, will promise that he or she can force lenders to modify loans. The scammers will try to “sell” participation in a lawsuit against the mortgage lender, claiming that the homeowner cannot participate in the lawsuit until he or she pays some type of upfront fee.

Rent-to-own or leaseback scheme: The homeowner surrenders the title or deed as part of a deal that will let the homeowner stay in the home as a renter and then buy it back in a few years. However, the scammer has no intention of selling the home back to the homeowner and, instead, takes the monthly “rent” payments and allows the home to go into foreclosure.

Remember, only work with a HUD-approved housing counselor to understand your options for assistance. HUD-approved housing counseling agencies are available to provide information and assistance. Call 888-995-HOPE to speak with an expert about your situation. HUD-approved counseling is free of charge.

If you suspect fraud, call the U.S. Department of Housing and Urban Development, Office of Inspector General.

Diversity and Equal Opportunity

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Report fraud, waste, and mismanagement in HUD programs and operations by

Faxing the OIG hotline: 202-708-4829

Emailing the OIG hotline: hotline@hudoig.gov

Sending written information to

Department of Housing and Urban Development

Inspector General Hotline (GFI)

451 7th Street SW

Washington, DC 20410

Internet

<http://www.hudoig.gov/hotline/index.php>

ALL INFORMATION IS CONFIDENTIAL, AND

YOU MAY REMAIN ANONYMOUS.



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